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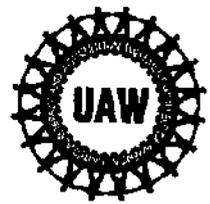
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Collective Bargaining Agreement

between



2700
workers

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL
IMPLEMENT WORKERS OF AMERICA, UAW**

and its

LOCAL UNION 848

and

X: 9/26/01



Vought

Aircraft Industries, Inc.

VOUGHT AIRCRAFT INDUSTRIES, Inc.

Entered into October 1, 2000



2000 Collective Bargaining Agreement
between:

VOUGHT AIRCRAFT INDUSTRIES, Inc.

and

**INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL
IMPLEMENT WORKERS OF AMERICA, UAW
and its
LOCAL UNION 648**

ENTERED INTO October 1, 2000

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AGREEMENT

This Agreement is made and entered into this 1st day of October 2000, by and between VOUGHT AIRCRAFT INDUSTRIES, INC., Dallas, Texas, hereinafter called the "Company," and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, UAW, and its LOCAL UNION 848, hereinafter called the "Union."

ARTICLE I
PREAMBLE

It is the intent and purpose of the Parties hereto that this Agreement promote and improve the industrial and economic status of the Parties, provide orderly collective bargaining relations between the Company and the Union, and secure a prompt and fair disposition of grievances to eliminate interruptions of work and interference with the efficient operation of the Company's business.

ARTICLE II
MANAGEMENT
RESPONSIBILITIES AND FUNCTIONS

It is recognized and agreed that, in addition to other functions and responsibilities not specifically mentioned in this paragraph, the Company has and will retain the sole right and responsibility to direct the operations of the Company. This includes the determination of the number and location of its plants, the product to be manufactured, the types of work to be performed, the schedules of production, the shift schedules and hours of work, and the methods, processes and means of manufacturing. Furthermore, the Company has responsibility for selecting, hiring and demoting employees as well as making and applying rules and regulations for production, discipline, efficiency and safety.

It also has the right and responsibility to discharge or discipline any employee for just cause, to lay off any employee because of lack of work or other cause, and to transfer and promote any employee. This applies except as hereinafter provided.

ARTICLE III
RECOGNITION

Section 1. Certifications

The Company recognizes the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and its Local Union 848, as the sole collective bargaining agency for the employees as designated in the National Labor Relations Board (NLRB) Certification No. 16R1744, dated July 19, 1946, the NLRB Certification of Representatives in Case No. 16RC2696 (Bargaining Unit Voting Group 1), dated April 12, 1960, those employees designated in NLRB Certification No. 16RC3476, dated August 29, 1963, and those employees designated in the mutual Agreement between the Parties, dated December 8, 1961.

Section 2. Employees Covered by the Agreement

- a. The term "employee" as used herein applies to and includes all production, maintenance and powerhouse employees, experimental department employees, inspectors, timekeepers and leadmen. (Any laboratory or engineering department job presently in the collective bargaining unit will remain in the collective bargaining unit for the duration of this Agreement.) The term "employee" excludes maintenance electrical employees, main office clerical employees, confidential clerks assigned to general supervisors or above, employees in industrial relations, medical, industrial security and engineering departments, and supervision as defined in Section 2 of the National Labor Relations Act, as amended.
- b. Excluded employees of the Engineering Department will not be used to perform the work of employees covered by this Agreement for the purpose of avoiding coverage under this article.
- c. It is agreed that a part of the work done by excluded engineering and laboratory employees is similar in some respects to some of the work done by bargaining unit employees. It is further agreed that these excluded employees may perform work in the development of hardware consisting of articles for engineering qualifications and tests, up to its release to employees in the bargaining unit.

Section 3. Successor Clause

This Agreement, including any letters and memorandum (the "Agreement"), will be binding upon the Company, its successors and assigns. In the event that the Company disposes of all or part of its operations covered by this Agreement, the Parties agree as a condition of such disposition, the acquiring employer will recognize the Union and accept the terms and conditions of this Agreement. This Agreement will likewise be binding upon the Union, its successors and assigns.

ARTICLE IV
REPRESENTATION, DUTIES
AND RESPONSIBILITY

Section 1. Type and Number of Representatives

For the purpose of adjusting grievances under this Agreement:

- a. A steward will be permitted within the collective bargaining unit area. The number of stewards and their assignment in the plant will be mutually agreed upon by the Company and the Union. It is agreed that there will be one (1) steward for every one hundred and fifteen (115) employees within a zone. The geographical work area of the employees represented by this steward will be known as a district. The number of districts permitted within a zone is that number that results when the total number of employees normally assigned to a zone is equally divided by one hundred and fifteen (115), plus one (1) additional district for any remaining employees.
 - (1) Increase in the Number of Districts - The Union may notify the Company that redistricting is being requested to add district(s) where permitted under Article IV, Section 1.a. Where possible, redistricting will be established by mutual agreement. If both Parties fail to reach a mutual agreement within four (4) days following receipt of the Union's request to redistrict, either Party may, upon written notice, divide the district(s) having the largest number of employees into two (2) equal districts.
 - (2) Reduction in the Number of Districts - The Company may notify the Union that redistricting is being requested for the purpose of eliminating a district in the zone having the least number of employees, as permitted under the provisions of Article IV, Section 1.a. Where possible, this redistricting will be accomplished by mutual agreement. If the Parties fail to reach an agreement, either Party upon written notice may then eliminate the district(s) in the zone having the least number of employees. The boundaries of the district(s) bordering the greater amount of the district(s) to be eliminated will be extended to encompass those employees previously located in the eliminated district(s).
- b. There will be eight (8) shop committeemen for the purpose of handling grievances as provided hereinafter. The area of the shop that each of the eight (8) shop committeemen represents will be known as a zone and will be mutually agreed upon by the Company and the Union. The Plant Grievance Committee of the Union will not exceed ten (10), including the Chairman of the Plant Grievance Committee, the President of the Union and eight (8) shop committeemen. Members of the Plant Grievance Committee will meet with the Grievance Review Committee as hereinafter provided.
- c. An international representative will be permitted to attend the regular third-step meetings (see Article V) scheduled weekly, or upon notice to the Company of not less than twenty-four (24) hours, to attend special meetings of the Plant Grievance Committee that have been scheduled by mutual consent.
- d. A duly appointed Union Representative may attend meetings of the Company United Way Committees.

Section 2. Eligibility Requirements

- a. Only an employee of the Company will act as a shop committeeman or steward or Chairman of the Plant Grievance Committee under this Agreement.
- b. No employee will act as a shop committeeman or steward unless, at the time of his selection, he has been employed by the Company for a period of more than ninety (90) days and completed his probationary period per Article VII, section 10, a..

Section 3. Restrictions on Transfer or Loan

The Company will not transfer or loan a steward or a shop committeeman outside his respective district or zone, provided there is available work within his job classification.

Section 4. Scheduling of Overtime, Including Holidays

- a. A steward will be offered work during periods of overtime, under one of the following provisions:
 - (1) Provided that not less than fifteen (15) employees work in the steward's district and that work in his classification is scheduled within his district or
 - (2) Under the provisions as set forth in Article VI, Section 7.a(1). Each elected steward will be contacted and the method of offering overtime will be established, once an election is made, such election will be in effect for one (1) year. A steward may change the method for being offered overtime in January of each year.
- b. A shop committeeman will be offered work during periods of overtime provided that not less than twenty (20) employees work in his zone and that work in his classification is scheduled within his zone.
- c. The overtime worked by stewards and shop committeemen will not be posted.
- d. The Chairman of the Plant Grievance Committee will be scheduled to work during periods of overtime provided that seven hundred (700) employees work in accordance with Article IV, Section 8.a. or that one hundred fifty (150) employees work and that work is scheduled in the Chairman's classification.
- e. Each representative must meet the requirements of Article VI, Section 7.g. when offered overtime. During periods of overtime, stewards and shop committeemen will handle only those grievances for which the condition giving rise to the grievance occurred during the immediate period of overtime. If the steward is not working in the district, the supervisor upon request of the employee, will call the nearest steward working in the zone to act as the steward of the district. If no steward is working in the zone and the committeeman is working, the supervisor will call the committeeman to act as the steward of the district. If no Union representatives are working in the zone, the nearest available steward will be called.

Section 5. List of Union Representatives and Notice of Change

The Union will furnish the Company with a list of its officers, Plant Grievance Committee members, and stewards and will notify the Company in writing of any changes therein. Such list and notice of changes will be given in writing to the Vice President of Human Resources at least one (1) working day before an officer, shop committeeman, or steward performs any act under the terms of this Agreement. Exceptions to this period of notice may be made by mutual agreement. No officer, steward, or shop committeeman will be recognized by the Company until written notification of his appointment has been received by the Company from the President of the Union or his designee.

Section 6. Stewards

- a. After notifying the supervisor in charge of his unit of his purpose and destination, a steward will be given a shop grievance pass and allowed to leave his job or unit to handle grievances, or to discuss with the shop committeeman the advisability of appealing a grievance to the second step in the manner provided under Article V, Section 3, or to perform the following functions:
 - (1) Investigate and, if necessary, present to a supervisor in his district a grievance of violation of an employee's recall rights, or a written grievance signed by an aggrieved employee that the steward has received outside of working hours.
 - (2) Meet with an aggrieved employee's supervisor who is not located in the district where the grievance originated. When necessary arrangements have been made for such a meeting, the supervisor of the steward involved will call the supervisor of the aggrieved employee or will give permission to the steward to contact the aggrieved employee's supervisor at his headquarters.
 - (3) Request of his (the steward's) supervisor the presence of the shop committeeman for the zone in order to make a joint investigation before a grievance is appealed to the second step of the grievance procedure.
 - (4) Attend meetings scheduled with the shop committeeman of his zone, the superintendent or his designee, and/or a Labor Relations representative when a grievance has been appealed to the second step of the grievance procedure.
- b. When it is necessary to enter a unit or section of a unit supervised by a supervisor other than his own, the steward will immediately report to the supervisor of that unit or section and advise him of his presence. In the event of the supervisor's absence, a designated representative will act in his place.
- c. A steward is to handle only grievances arising in his district. However, he will be given permission to make investigation outside of his district when it is necessary to obtain pertinent facts in a case being investigated. This does not give roving privileges to a steward.
- d. In the absence of a shop committeeman, a steward from the zone may be appointed to act in his place. The Union must notify the Company twenty-four (24) hours in advance of the appointment. The twenty-four (24) hour requirement is waived when the absence of the shop committeeman is due to illness.

- e. A supervisor will make every effort to call a steward immediately, but in no event will more than two (2) working hours elapse before a steward is called.
- f. If a steward is not available in the district, the supervisor upon request of the employee will call upon the nearest steward in the zone to handle the grievance.
- g. A steward will be paid for the time necessary during his regular straight-time working hours to investigate, present and adjust grievances as provided in this and Article V.
- h. During periods of overtime, the Union will notify Guard Headquarters in writing on a form provided by the Company the name(s) of steward(s) and/or committeeman(s) working the respective overtime.

Section 7. Shop Committeemen

- a. After notifying the supervisor in charge of his unit of his purpose and destination, a shop committeeman will be given a shop grievance pass and allowed to leave his job or unit to handle grievances as called out in the grievance procedure. The time spent during his scheduled working hours will be recorded on a job card by his supervisor and he will be paid for this time. If the shop committeeman has Union business to transact with the Chairman of the Plant Grievance Committee, the shop committeeman will request his supervisor to call the Chairman of the Plant Grievance Committee to his place of work.
- b. After notifying his supervisor, a shop committeeman will be allowed to leave his job to attend the following meetings when necessary. The time spent in attendance at such meetings during his scheduled working hours will be recorded by his supervisor, and he will receive pay for the time spent during his normal working hours.
 - (1) Attend regularly scheduled meetings with the Grievance Review Committee to be held not more than once each week and not exceeding three (3) hours. No later than the fifth regularly scheduled workday before the meeting, the Chairman of the Plant Grievance Committee must present to the Vice President of Human Resources a written agenda stating fully the specific grievances to be discussed.
 - (2) Attend any special meeting not exceeding three (3) hours relating to discharge or other matters that cannot reasonably be delayed until the next regular meeting of the Plant Grievance Committee and the Grievance Review Committee.
 - (3) Attend any meeting requested by a supervisor, superintendent or Labor Relations representative to discuss shop problems or pending grievances.
 - (4) Attend special meetings between Company representatives and the Plant Grievance Committee that have been scheduled by mutual agreement.
 - (5) Present grievances in the absence of a steward, as provided under Article IV, Section 4.e.

Section B. Chairman of the Plant Grievance Committee

- a. The Chairman of the Plant Grievance Committee will be allowed time, up to a maximum of forty (40) hours per week at the maximum rate for a labor grade 1 to perform the duties listed and in accordance with the procedure set forth below.

- When seven hundred (700) employees or more are scheduled for overtime, the forty (40) hour maximum will be increased to correspond with the extended workweek.
- b. After notice to the Vice President of Human Resources or his designated representative, the Chairman of the Plant Grievance Committee will be given a shop pass to perform the following functions:
 - (1) Investigate a Union grievance as defined under Article V, Section 1.
 - (2) Introduce a Union grievance in accordance with Article V, Section 1.b.
 - (3) Transact business with a shop committeeman as outlined under Article IV, Section 7.a.
 - (4) Investigate a grievance, subsequent to the receipt by the shop committeeman of the Company's second-step decision, to determine the advisability of appealing the grievance to the third step.
 - (5) Prepare the agenda as required under Article IV, Section 7.b(1).
 - (6) Attend meetings with the Grievance Review Committee.
 - (7) Receive on behalf of the Union the Company's answers to grievances following the third-step meeting.
 - (8) Participate in the investigation of a grievance subsequent to having received the Company's third-step decision for the purpose of determining the advisability of appealing the grievance to arbitration.
 - (9) Receive the listings furnished the Union by the Company under the terms of this Agreement.
 - (10) Attend any special meetings not exceeding three (3) hours relating to discharge or other matters that cannot reasonably be delayed until the next meeting of the Grievance Review Committee and the Plant Grievance Committee.
 - (11) Attend any meeting requested by a supervisor, superintendent or Labor Relations representative to discuss shop problems or possible grievances.
 - (12) Post Union bulletin boards. Information posted must be first approved by the Vice President of Human Resources or his designated representative. Keys must be secured from the Labor Relations Department.
 - (13) Perform, with the approval of the Vice President of Human Resources, other special functions not specifically enumerated above.

ARTICLE V
GRIEVANCE, ARBITRATION AND
DISCHARGE PROCEDURES

Section 1. Union Grievance

- a. A Union grievance is a difference between the Company and the Union concerning: (1) working conditions, and (2) the interpretation or application of any provision of this Agreement that cannot be settled at the first and second steps of the grievance procedure set forth below.
- b. A Union grievance may be introduced by the Chairman of the Plant Grievance Committee to the Vice President of Human Resources and the grievance will be discussed at the next regular third-step meeting. The Company's disposition will be given as soon as possible, but in no event later than ten (10) working days (unless extended by mutual consent) following the meeting in which the grievance was discussed. Special meetings between representatives of the Company and the Plant Grievance Committee will be by mutual consent.

Section 2. Employee Grievance

- a. An employee grievance is a difference between the Company and any employee concerning the interpretation or application of any provision of the Agreement.
- b. When any such grievance arises, an earnest effort must be made to settle it according to the following sequence and procedure.

Section 3. First Step

- a. Any employee having such a grievance will present it orally to his supervisor either personally or through his steward, where an earnest attempt will be made to resolve the grievance. Should the grievance not be settled orally, the Union may, within two (2) workdays, reduce the grievance to writing on the forms provided by the Company and signed by the employee, setting forth, on the grievance form, all of the available facts of the alleged violation. The grievance form must indicate:
 - (1) A statement of the grievance and the facts upon which it is based.
 - (2) The section or sections of the Agreement claimed to have been violated and
 - (3) The remedy or correction requested. The disposition at the first and second steps of this procedure, together with the dates thereof, must be noted thereon and signed by the respective representatives of the Company and the Union.
- b. The Union will have the right to investigate and present a grievance of violation of an employee's recall rights by following the procedure as outlined in Article V, Section 3.a.
- c. When the grievance is presented in writing, the answer of the supervisor will be given in writing on the form provided, as soon as possible, but not later than two (2) regularly scheduled working days after its presentation. After a grievance has been reduced to writing and presented to the supervisor, no representative of the

Company will discuss that particular grievance with the grievant without the presence of a Union representative until it is settled in the grievance procedure.

- d. If an appeal for the disposition of a grievance at the first step of the grievance procedure is not taken within five (5) working days from the date of such decision, the grievance will be considered withdrawn without prejudice to either Party.
- e. If the Union accepts a grievance disposition given at the first step of the grievance procedure, it will not be considered precedent setting for or by either Party to this Agreement.

Section 4. Second Step

- a. If the grievance is not settled by the unit supervisor and the steward, then the shop committeeman and the steward within whose area the grievance arose will take up the grievance with the superintendent or his designee at a regularly scheduled weekly meeting. Upon request of the shop committeeman and/or the superintendent, a Labor Relations representative will attend such meeting. If the grievance is appealed to this step of the grievance procedure, and the shop committeeman assigned to the area of the plant in which the grievance arose is unable to handle it because he is absent from the plant, then upon request by the steward to the Vice President of Human Resources or his designated representative, the grievance may be investigated and presented by the acting shop committeeman for that zone. For the purpose of adjusting grievances at this stage of the procedure, a shop committeeman or the acting shop committeeman will represent only employees assigned to the zone in which he is employed, except as provided in Article V, Section 3.b.
- b. The meeting of the superintendent (or designated representative) and/or a Labor Relations representative with the shop committeeman and the steward in his zone will be held once a week. If the grievances presented at this meeting cannot be disposed of in the time set for the meeting, the meeting may be continued the following day. The superintendent or designee, and/or a Labor Relations representative will render a decision on a grievance so presented no later than three (3) working days after such meeting.
- c. If no appeal from the disposition of a grievance given at the second step of the grievance procedure is taken within three (3) working days from the date of the decision, then the decision will be final, conclusive and binding upon all employees, the Company and the Union. Any disposition of a grievance at the second step of the grievance procedure accepted by the Union will also be final, conclusive and binding upon all employees, the Company and the Union.

Section 5. Third Step

- a. If the grievance is not satisfactorily settled by the superintendent (or designated representative) and/or a Labor Relations representative, an appeal may be taken by the Plant Grievance Committee to the Grievance Review Committee. The Grievance Review Committee will render a decision on a grievance so presented as soon as

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possible, but no later than five (5) working days after the regular third-step meeting at which the grievance was discussed.

- b. If no appeal from the disposition of a grievance given at the third step of the grievance procedure is taken within five (5) working days from the date of the decision, then the decision will be final, conclusive and binding upon all employees, the Company and the Union. Any disposition of a grievance at the third step of the grievance procedure accepted by the Union will also be final, conclusive and binding upon all employees, the Company and the Union.
- c. If the grievances presented at the regular third-step meetings provided for in this article cannot be disposed of within the time allowed, the meeting may be continued at a time mutually agreed to by the Company and the Union, but no later than five (5) working days. If the Union does not receive a disposition to a grievance within these time limits, the grievance may be appealed to the next step.

Section 6. General Provisions of the Grievance Procedure

- a. In cases of disciplinary suspensions or discharge of employees for infraction of shop rules or other misconduct, the Union reserves the right to seek modification or elimination of such penalties regarding seniority and compensation, in whole or in part, on the ground that the employee was unjustly disciplined. Such protests will be handled according to the grievance procedure, including the right to appeal to arbitration.
- b. If the Union withdraws a grievance at the first, second or third step of the grievance procedure, it will be considered as having been withdrawn without prejudice to either Party. A grievance withdrawn subsequent to the third step must be withdrawn by mutual agreement and will be considered as having been withdrawn without prejudice to either Party.
- c. Any employee grievance not presented for disposition through the grievance procedure described herein within five (5) working days of the occurrence of the condition giving rise to the grievance, or within five (5) working days of the date it is reasonable to assume that the employee became aware of the condition giving rise to the grievance, will not thereafter be considered a grievance under this Agreement. Any Union grievance not presented within five (5) working days from the date on which it is reasonable to assume that the Chairman of the Plant Grievance Committee became aware of the condition giving rise to the grievance will be deemed untimely.
- d. No disposition or award upon any grievance under this Agreement will be made retroactive for any period prior to the date the grievance was first filed in writing, except:
 - (1) There may be seven (7) working days of retroactivity on overtime grievances.
 - (2) There may be sixty (60) working days retroactivity on classification grievances.
 - (3) There may be up to thirty (30) working days retroactivity on layoff and recall grievances. However, in no event will the Company's liability exceed thirty (30) days.
- e. If the Union does not receive a disposition to a grievance within the time limits set forth herein, the grievance may be appealed to the next step.

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- f. The time during which a grievance must be dispositioned or appealed may be extended by mutual agreement.

Section 7. Prearbitration Review Step

- a. If a grievance within the scope of Article V, Section 8.a. is not settled satisfactorily at the third step of the grievance procedure and the Plant Grievance Committee believes it has grounds for appeal, the Chairman of the Plant Grievance Committee or designated representative will give the Vice President of Human Resources or his designee a written "notice of appeal" to arbitration. Such notice of appeal must be approved by the international representative or designated representative.
- b. Within fifteen (15) days after a grievance has been appealed to arbitration, there will be a meeting of the Vice President of Human Resources or his designated representative, the Chairman of the Plant Grievance Committee, the local Union President, and a representative of the international Union to attempt to settle the grievance, it being understood that the Parties are empowered to settle such grievance. In the event the Parties are unable to resolve a grievance, it will be submitted to arbitration as provided under this article.
- c. A representative of the international Union will, upon advance request, be permitted to enter the plant accompanied by the Chairman of the Plant Grievance Committee and/or the local Union President to investigate a grievance prior to the prearbitration review step. Such visitation will be permitted only under the rules governing plant visitors that have been issued by the Company or any appropriate government agency.
- d. Within ten (10) days following the completion of the prearbitration review, either party may request that the grievance be submitted to mediation. If such mediation is mutually agreed to by the parties, the mediation shall be conducted in accordance with the provisions of Letter of Agreement number three (13). In the event the Parties are unable to resolve the grievance through mediation, it will be submitted to arbitration as provided under this article.

Section 8. Arbitration

- a. Only grievances involving alleged violations with respect to the interpretation or application of the terms of this Agreement may be appealed to an impartial arbitrator for settlement. When such a grievance is appealed to arbitration by the Union and is not settled under Article V, Section 7.b., the Company and the Union will hold a meeting to select an arbitrator. This meeting will be held within ten (10) working days of the meeting held under Article V, Section 7.b. When an arbitrator is agreed upon, both Parties may forward their statements of issues to him at least three (3) days prior to the date of the hearing.
- b. The arbitrator is prohibited from changing, adding to or subtracting from the wording or terms of this Agreement or any supplementary written, approved agreements entered into mutually by the Parties. Any case appealed to the arbitrator on which he has no power to rule will be referred back to the Parties without decision.

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- c. In cases of disciplinary action, including discharge, the arbitrator has the right to rescind or modify the penalty and to compensate the employee for lost wages in whole or in part less those earnings, including unemployment compensation, received by the disciplined employee while off the active payroll. However, any compensation the employee was receiving from any other employment he had at the time he had last worked for the Company, and which he would have continued to receive had he continued to work for the Company, will not be counted as earnings.
- d. After the arbitrator has been notified of his selection, he will establish a hearing date and start said hearing as soon as possible.
- e. The arbitrator will make such investigation as he deems proper and may examine the witnesses of each Party. Each Party has the right to cross-examine witnesses. When any investigation is conducted by the arbitrator in the plant or at the Union hall, he will be accompanied by at least one representative of the Company and the Union.
- f. Either Party may, at its option, employ the services of a stenographer and/or court reporter at all such hearings to make a record of the proceedings.
- g. Exhibits introduced by one Party may be examined by the other Party during the course of the hearing.
- h. The arbitrator or the Union may call any employee as a witness at any proceeding before the arbitrator. The Company agrees to release said witness from work if he is on duty. Whenever possible, the Union will give management twenty-four (24) hours' advance notice of the employees it intends to use as witnesses.
- i. Either Party may submit post-hearing briefs.
- j. Each Party will be responsible for the expenses of any witnesses it calls.
- k. The arbitrator will render his decision in writing no later than ten (10) days after he has completed his hearing on any grievance unless mutually agreed otherwise, but in any event within thirty (30) days.
- l. The decision of the arbitrator will be final and binding upon all employees, the Company and the Union.
- m. The compensations and expenses of the arbitrator will be borne equally by the Union and the Company.
- n. If the Company and the Union representatives are unable to agree on a person to act as the arbitrator within three (3) working days of the time of the first meeting as provided for in Article V, Section 8.a, they will request the director of the Federal Mediation and Conciliation Service to submit a list of five (5) persons, one of whom will be selected to act as arbitrator. After receipt of said list, the Union and the Company will each have the right to strike two (2) names from it in the following manner:
The representatives of the Company and of the Union will determine by lot the order of elimination and, thereafter, each will in that order alternately eliminate one (1) name until only one (1) remains. The fifth or remaining person will thereupon be accepted by both the Union and the Company as the arbitrator.
- o. No grievance will be heard by an arbitrator until the Union has availed itself of the full procedure set forth in this article.
- p. Medical arbitrators will be selected in the following manner:

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In the event a dispute is not resolved per the provisions of article XIX, section 6, the Company and the Union agree to ask the Dallas County Medical Society to supply a list of five (5) doctors. The winner of the toss of a coin will have the choice of either striking a name from the list first or striking a name second. Thereafter each will alternately strike the remaining names until only one (1) remains. The medical doctor so chosen will hear the dispute and make whatever physical examination he deems necessary. His decision will be final and binding upon the employees, the Union and the Company. The medical arbitrator will have no power to add to, or subtract from, or modify in any way any of the terms of this Agreement. The fees and expenses of the medical arbitrator will be divided equally between the Union and the Company.

Section 9. Written Warning Notice

- a. A written warning notice will remain in effect until the employee has served one (1) year of active employment from its date of issue. An employee who is issued a written warning notice and acknowledges its receipt by his signature thereon will receive a copy of the notice. If it is mutually agreed that an issued written warning notice will be cancelled sooner on the performance of certain conditions by the employee, those conditions will be reduced to writing if no written grievance was filed. If a written warning notice is issued and no written grievance protesting it is filed, the employee will receive written notice of its cancellation. Once cancelled, a warning notice will be expunged from the personnel file maintained by the unit(s) in which the individual is assigned. No reference will be made of such notice in the grievance procedure except as rebuttal.

Section 10. Disciplinary Action, Suspension or Discharge

When the Company plans disciplinary action involving suspension or discharge, the following procedure will apply except in cases involving disorderly or threatening conduct:

- a. Labor Relations will review the facts of the pending disciplinary action with the affected committeeman or Chairman of the Plant Grievance Committee prior to the disciplinary interview.
- b. The employee will be escorted to Labor Relations, given the reasons in writing for the action and advised of his right to representation by his committeeman.
- c. In the event the employee declines Union representation, he will so indicate in writing with a copy to be provided to the Union.
- d. In those cases where the employee elects to be represented, his committeeman or, in the committeeman's absence, the Chairman of the Plant Grievance Committee, will be notified so that he can attend the interview. No action will be taken without the presence of the employee's committeeman or Chairman of the Plant Grievance Committee. However, in no event will the Company be required to delay or postpone disciplinary action more than two (2) hours following notification to the Union.
- e. In attendance at the interview will be the employee, the Union representative if requested, the employee's supervisor and a Labor Relations representative. The

purpose of the interview will be to exchange all known information concerning the reason for the planned action.

- f. Grievances resulting from the above stated actions must be filed within three (3) working days from the suspension or discharge and will be processed at the second step of the grievance procedure.
- g. If the Company elects to terminate an employee by mail, the Chairman of the Plant Grievance Committee will receive, on the day it is mailed, a copy of the letter.

ARTICLE VI
WORK HOURS, OVERTIME AND
PREMIUM PAYMENTS

This article and its sections provide the basis for the calculation and payment of overtime and premium pay, and will not be construed by the Union or any employee as a guarantee upon the part of the Company of hours of work per day or per week, or days of work per week. Further, nothing herein will prohibit the Company from establishing, scheduling, and paying for special shifts as it has in the past and as provided elsewhere in this Agreement.

Section 1. Workday and Workweek

- a. The Company's regular or normal workday for the employees in the collective bargaining unit will be eight (8) hours, excluding lunch periods, and except as provided herein.
- b. The Company's regular or normal workweek for the employees in the collective bargaining unit will be forty (40) hours. The workweek will begin with the hour that the respective shifts start on Monday, except as herein provided, and will end one hundred sixty-eight (168) consecutive hours later.
- c. The Company may change the regular or normal workday or workweek one (1) hour earlier or one (1) hour later. However, if the Company finds it necessary to change the regular or normal workday or workweek in excess of either one (1) hour earlier or one (1) hour later, excepting special shifts, the Company will discuss the reasons for doing so with the Union and attempt to reach an agreement with the Union on the matter.
- d. If an employee is assigned by the Company to work a workday or workweek hours that do not coincide with the Company's regular or normal workday or workweek hours or with the hours of a special shift (as defined in Article VI, Section 4), he will be considered a night shift employee when fifty percent (50%) or more of the straight-time hours of his assigned work shift fall within the hours of the regular or normal second or third shift.
- e. The Company's current payroll week for accounting and hourly payroll check distribution purposes is Monday through Sunday. Nothing herein will prohibit the Company from continuing this payroll week arrangement or changing to any other payroll week arrangement that serves its accounting and hourly payroll check distribution purposes.
- f. The Company agrees to notify the Union if and when a major change in the regularly scheduled plant workweek or plant shift hours is contemplated.

Section 2. Time and One-Half

Time-and-one-half will be paid for:

- a. All time worked in excess of eight (8) hours in a twenty-four (24) hour period which begins with the start of the employee's regular or normal scheduled shift. This

provision will not apply when the employee is transferred during the twenty-four (24) hour period from one shift to another as the result of a layoff or when the employee exercises shift preference; however, it will apply in such a case if the employee receives less than twenty-four (24) hours' notice that he is to be transferred permanently to another shift.

- b. All time worked in excess of forty (40) hours in one (1) workweek for which overtime has not already been earned.
- c. All work performed by employees, except those assigned to seven (7) day operations such as powerhouse operations, during the period for which they have been scheduled and which begins on a calendar Saturday provided such employee has been paid for forty (40) hours that comprised the employee's regular straight-time hours of work previous to that Saturday. The employee's straight time rate will apply until the requirement for forty (40) hours of straight time worked is satisfied. Unpaid time not worked because of a temporary layoff will be considered as time worked.
- d. All work performed outside of regularly scheduled shift hours, except the case of employees on special shifts.
- e. All work performed by employees assigned to seven (7) day operations during the period for which they have been scheduled and which begins on the sixth consecutive calendar day of their regularly scheduled workweek provided such employee has been paid for forty (40) hours that comprised the employee's regular straight-time hours of work previous to the sixth consecutive calendar day of their regular scheduled workweek. The employee's straight time rate will apply until the requirement for forty (40) hours of straight time worked is satisfied. Unpaid time not worked because of a temporary layoff will be considered as time worked.
- f. All work performed by employees assigned to seven (7) day operations on a calendar Sunday where Sunday is considered a regular workday.

Section 3. Double Time

Double time will be paid for:

- a. All work performed by employees, except those assigned to seven (7) day operations, during a period for which they have been scheduled and which begins on a calendar Sunday provided such employee has been paid for forty (40) hours that comprised the employee's regular straight-time hours of work previous to that Sunday. The employee's straight time rate will apply until the forty (40) hours of time worked is completed. Upon completion of the forty (40) hour straight time requirement, the employees double time rate will apply. Unpaid time not worked because of a temporary layoff will be considered as time worked.
- b. In the case of employees assigned to seven (7) day operations, all work performed during the period for which they have been scheduled and which begins on the seventh consecutive calendar day of their regularly scheduled workweek provided such employee has been paid for forty (40) hours that comprised the employee's regular straight-time hours of work previous to the seventh

consecutive calendar day of their regularly scheduled workweek. The employee's straight time rate will apply until the forty (40) hours of time worked is completed. Upon completion of the forty (40) hour straight time requirement, the employees double time rate will apply. Unpaid time not worked because of a temporary layoff will be considered as time worked.

Section 4. Special Shifts

A special shift, as mentioned in Article VI, Sections 1.d. and 2.d. is defined as a shift assigned outside of the regularly scheduled shift for four (4) weeks or more.

Section 5. Work on a Holiday

All work performed by employees during the period for which they have been scheduled and which begins on the calendar day being observed by the Company as a holiday will be compensated at three (3) times the regular straight-time hourly base rate including shift differential, but excluding all premiums and bonuses. This includes all hours worked by employees subsequent to the starting time of their regularly scheduled shift on a holiday where such hours are a continuation of a period for which they have been scheduled and which begins on the preceding day.

Section 6. No Pyramiding or Duplicating

When two or more types of overtime or premium compensation are applicable to the same hours of work, only the higher rate of compensation will be paid. In no case will overtime or premium compensation be duplicated or pyramided.

Section 7. Distribution of Overtime

- a.
 - (1) The Company, consistent with its several normal and standard overtime practices relating to areas within the collective bargaining unit, will make an equal distribution of overtime among the available qualified employees in any unit who are regularly employed on such work. Such distribution will be made on the respective shifts on which the overtime work occurs. An employee will be offered, on a voluntary basis, overtime as necessary to maintain production schedules. If the required personnel are not available following the initial request for volunteers, the employee(s) with the least amount of recorded overtime will be required to work the overtime in question.
 - (2) In units within a designated overtime area, when the number of employees needed to perform the overtime work within a unit is not available following the initial request for volunteers, the Company will complete the overtime requirement by offering the overtime to the low, available, qualified employee(s) within the designated overtime area. If the required personnel are not available following the request for

volunteers, the employee(s) within the unit with the least amount of recorded overtime will be required to work the overtime in question.

- (3) Whenever it is necessary for employees to work weekend overtime, the Company will endeavor to offer the overtime per Article VI, section 7, a. (1) or (2) by the close of their regular shift hours on Thursday before the upcoming weekend. An employee absent on Thursday will be considered unavailable and charged for the weekend overtime. However, an employee required to work weekend overtime due to a lack of a sufficient number of employees being available upon request, may exercise an option of working or being replaced by a low overtime employee who was absent on Thursday.
 - (4) Should it be determined through the grievance procedure that an employee is unequal in overtime as required in Article VI, Section 7.a(1), such employee will be offered the next overtime assignment to which he is entitled under this section (new job, not continuing assignment) until the employee has worked overtime hours equal to the hours that he was out of line at the time the grievance was filed. If, from the date of the grievance, there has been overtime worked to which the grievant should have been offered and he was not asked to work, starting with the sixth workday following the date of the grievance, a displacement will have occurred and the employee will be paid for the hours that he should have been offered for the purpose of equalization.
 - (5) A copy of the distribution of overtime work will be posted by each supervisor convenient to where the employees work (not in the supervisor's desk) on the workday after the overtime has been worked.
- b. At the start of a new calendar year, the employee or employees who have the lowest amount of overtime will be charged with zero (0) hours on the overtime distribution sheet. Other employees will then be charged with the difference between their hours and the lowest amount of overtime.
 - c. When an employee enters a new unit or changes classification within a unit, he will be charged with the average overtime of the unit employees in the same classification.
 - d. An employee scheduled for vacation will not be required to work overtime on Saturday or Sunday immediately prior to the vacation. An employee low on overtime will be offered the opportunity to work overtime preceding his vacation. However, should the employee decline to work the overtime hours, the employee will not be charged with the overtime hours, nor will the overtime hours be recorded as an absence. This will also apply in the case of a holiday(s) prior to the scheduled vacation. It is further agreed that this will be applicable to a one (1), two (2), three (3), and four (4) day vacation, provided such vacation begins on a Monday and is scheduled two (2) weeks in advance.
 - e. Overtime will be recorded as overtime worked, even though not worked, under the following conditions:
 - (1) Employee is ill and would have been offered overtime.
 - (2) Employee is on vacation and all employees in his classification within the unit would have been offered overtime and the employee would have been offered overtime had he not been on vacation.

- (3) Employee is due to work overtime but is absent and not available to accept overtime.
 - (4) Employee does not work overtime and has been required to work overtime.
 - (5) Employee agrees to work overtime and fails to report. Any employee who accepts overtime and fails to report for such overtime will be charged double the number of hours he would have been charged.
 - (6) Employee is offered overtime and refuses.
 - (7) Employee is on bereavement and all employees in his classification within the unit would have been offered overtime and the employee would have been offered overtime had he not been on bereavement.
 - (8) Employee is on jury duty and all employees in his classification within the unit would have been offered overtime and the employee would have been offered overtime had he not been on jury duty.
 - (9) Employee is compensated in first or second step of grievance procedure for a violation of Article VI, Section 7.a.(2).
- f. The following rules will apply to overtime distribution:
 - (1) A probationary employee will not be offered overtime unless everyone in the same classification within the unit is offered overtime first.
 - (2) An employee on loan into a unit that is in the job family of the work being performed, will not work overtime in that unit unless all the employees within the unit have been asked to work overtime.
 - (3) An employee, on loan into a unit, that is not in the job family of the work being performed, will not work overtime in that unit unless all the employees within the job family, within the facility, have been asked to work overtime.
 - (4) Any overtime worked by an employee on loan is to be recorded on overtime records in his home unit.
 - (5) When an employee on loan returns to his home unit and is ahead on overtime because of overtime worked while on loan, he will not work overtime in his home unit until overtime has been distributed in accordance with Article VI, Section 7.a(1).
 - (6) Prior to overtime being offered to employees outside the required job family on that shift, employees on the follow on shift will be offered the opportunity to work the overtime in question.
 - g. An employee will not be offered overtime if he cannot perform the overtime work without a break-in or familiarization period. Employees replacing other employees for overtime work must be able to perform such work immediately.
 - h. No employee will be disciplined for failure to work overtime, including holidays, when other employees in his classification and unit, within the same facility, who normally perform such work have not been required to work the overtime and are willing to work the overtime in his stead.
 - i. No employee will be transferred for the purpose of equalizing overtime.
 - j. Overtime records will show the overtime hours worked converted to the number of straight-time hours for the current month and year to date.

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- k. An employee working in excess of three (3) hours into another shift on Saturdays, Sundays, and holidays will, beginning after three (3) hours, constitute a displacement provided there is a follow-on shift and there are employees on the succeeding shift in the classification of the work performed who normally perform the work in question. If such displacement occurs, the displaced employee will be paid for the total time worked into the follow-on shift.
- l. Requests for weekend overtime, overtime worked on Saturday and Sunday, and sixth and seventh days in the case of employees assigned to seven (7) day operations, will be on a voluntary basis provided the required personnel necessary to maintain production schedules can be secured. If the required number of employees do not volunteer for the overtime in question, the necessary employees will be required to work, but in no event will employees be required to work more than three (3) weekend assignments in a month.

Section 8. Flight Pay

- a. All hourly paid employees required on a flight will be compensated for all flying time required in the performance of the duties of adjusting, recording or operating equipment during flights. The following rates will apply: three dollars (\$3) per hour for propeller-driven aircraft; four dollars (\$4) per hour for turboprop-driven aircraft; and five dollars (\$5) per hour for jet-powered aircraft. This amount will be in addition to earnings based on the employee's base hourly wage rate. A minimum of one (1) hour's flight pay will be paid for the first ascension on any calendar day. For additional ascensions on the same calendar day, flight pay will be at the rate specified above, computed to the nearest tenth of an hour. In addition, the Company will provide blanket life insurance coverage in the amount of one hundred thousand dollars (\$100,000) per employee during flights required in the performance of the employee's job duties.
- b. Flight pay will be equally distributed among those employees within a classification and unit who have flight cards and who are qualified to perform the work.
- c. In selecting personnel for flight cards when qualifications and experience are equal among those employees within a classification and unit, employees with the highest seniority will be selected.
- d. When it is necessary to reduce flight cards among employees within a classification and unit, it will be done on the basis of seniority among those employees having the same flight cards.

VII

ARTICLE VII SENIORITY

Section 1. Layoff

- a. In case of an indefinite layoff for lack of work, an employee will be laid off and recalled by noninterchangeable job families in accordance with his seniority as provided herein.
- b. The noninterchangeable job families as listed in the Job Family Appendices have been mutually agreed upon and incorporated and made a part of this Agreement as attached. New or revised classifications and/or job families will be effected in accordance with Article IX.
- c. In case of an indefinite layoff, a senior employee in a classification in which there is a lack of work will be permitted, in order of his seniority, to bump an employee within his own job family who has less seniority in the same or lower labor grade, or to bump a less senior employee in another job family as follows:
- (1) If qualified under Article VII, Section 1.c(1)(a), an employee may bump to a higher labor grade (classification) than he can get by exercising his bump rights in his own job family; if faced with an out-of-plant layoff, he may bump into any classification of equal or lower grade.
- (a) If an employee has been in a classification listed in the Job Family Appendices and was so classified for a period not less than sixty (60) consecutive calendar days subsequent to his seniority date, he may bump to the highest classification held. If an employee's work record reflects that he held a classification subsequent to his seniority date that is not listed in the Job Family Appendices, it will be considered as the classification listed in the Job Family Appendices to which employees performing the same work were transferred.
- (b) An employee electing to bump across job families into another classification will personally examine the job and be given an explanation by the supervisor of the work to be performed. If the employee so desires, the shop committeeman in the zone where the work is to be performed will be present at the interview. An employee may elect to bump into a classification that is less than the highest to which he is entitled to bump under Article VII, Section 1.c(1), if it meets the requirements of this paragraph. The employee will be advised that he must be able to perform the job within a reasonable period of time without impeding production. Failure to do so will result in a thirty (30) day suspension and forfeiture of all rights to the job family to which he exercised his rights. Following the thirty (30) day disciplinary suspension, the employee will be permitted to exercise his rights to the classification to which his seniority entitles him in his original job family. An employee given recall under the provisions of Article VII, Section 1.c(1)(d) will be subject to the conditions of this paragraph immediately upon recall.

- (c) An employee may not bump into a classification that he left either voluntarily because of his inability to perform the work or involuntarily where such inability was otherwise established or acknowledged.
 - (d) If an employee qualifies to bump under the provisions of this section but does not have enough seniority to do so, he will be given recall rights to the job family from which he was laid off as well as to the job families into which he could have bumped had he held sufficient seniority. Such recall rights will be based upon the classifications he would have received under the provisions of this section.
 - (e) The Company will have up to five (5) working days following the effective date of the layoff in which to implement the bumping between job families.
 - (f) Any inequities brought about as a result of such bumping will be corrected within forty-eight (48) hours, excluding Saturdays, Sundays, or holidays, after they are brought to the Company's attention. Any liability on the part of the Company will commence at the end of the forty-eight (48) hour period.
 - (g) An employee who is placed in an out-of-plant layoff status as a result of being bumped by an employee under Article VII, Section 1.c(1)(a), will be laid off immediately and the Company will not be required, as set forth under Article VII, Section 1.d, to give notice to the Union prior to such layoff.
 - (h) No more than fifteen percent (15%) of any one job family may be affected by the bumping provided in Article VII, Section 1.c(1)(a) in any one (1) month.
- (2) A senior employee bumping under the provisions here defined may be required to replace the employee he bumps on the shift on which the replaced employee was working.
 - (3) A senior employee will automatically be given the bump in his own job family. Those who do not have rights under Article VII, Section 1.c(1) will be laid off. A senior employee who is absent due to a bona fide illness, in Section 900, on vacation, on an approved leave of absence, or other bona fide reasons while the layoff is being processed, and who, if present would have an option to bump an employee under Article VII, Section 1.c(1), will be furnished by certified mail with a list of the titles of those classifications for which he qualifies. Upon receipt by the Company of the classification designated by the employee (not later than ten (10) days following receipt by the employee of the aforementioned list), the Company will process the paperwork necessary to effect the change or to extend layoff rights as provided under Article VII, Section 1.c(1)(d).
- d. When there are layoffs for an indefinite period or for more than fifteen (15) workdays, notice in writing indicating the classification and number of employees to be surplusd in each classification will be given to the Chairman of the Plant Grievance Committee five (5) work days, if possible, and in no event later than three (3) days before such layoff. As soon as possible, but in no event later than the effective date of the layoff, a list will be made available indicating the names of the employees to be laid off and their positions on the seniority list. After the completion of the layoff, a list

will be given to the Chairman of the Plant Grievance Committee indicating the status of the employees affected by the layoff. When there are layoffs caused by sudden cancellation of major contracts, major subcontracts or acts of God that cause interruptions of production or plant shutdowns, the Company may use the procedure provided by Article VII, Section 1.e. Within the ten (10) day period provided by Article VII, Section 1.a, the Company will process the indefinite layoff, providing such layoff is necessary, and give the requisite indefinite-layoff notice to the Chairman of the Plant Grievance Committee. An employee who is at work and is processed through the termination procedure for indefinite layoff will be paid through the end of the normal shift unless the employee requests and is granted permission to process earlier. An employee who is on short-term military leave, on vacation, temporary layoff or on bereavement, who comes into the plant and processes through the termination procedure for indefinite layoff will receive four (4) hours' straight-time pay. When employees are recalled to work, a similar list will be available to the Chairman of the Plant Grievance Committee simultaneously with the notice to return to work.

- e. Temporary layoffs due to breakdowns, shortages of materials, manufacturing irregularities or causes of a like nature not to exceed fifteen (15) workdays within a rolling twelve (12) month period may be made by the Company irrespective of any provisions of this Agreement. Temporary layoffs will be processed through Wage Administration by seniority and classification of those employees within the respective unit and shift affected, provided those retained can perform the work without a break-in or familiarization period. However, a more senior employee within the respective unit and shift affected may volunteer prior to processing less senior employees for layoff. This restriction on fifteen (15) days will not apply in case of any stoppage of work, strike or slowdown, or any other case or condition beyond the control of the Company. The Chairman of the Plant Grievance Committee will be provided a copy of the layoff notice in advance of the temporary layoff. Temporary layoffs will be recorded on the employee's unit attendance card as a temporary layoff.
- f. The Company and the Union agree that the employment of certain employees as defined herein will not be governed by seniority rules. Employees retained out of line of seniority will be those needed in starting the development of tooling or manufacturing work on a new project, or whose services are required when the work force is reduced. Such employees will be retained up to one hundred twenty (120) calendar days only because no other employee possesses the required skill, license, or experience to perform the necessary work. A list of such persons will be made, and a copy will be furnished to the Chairman of the Plant Grievance Committee. Any employee who is removed from the list will be subject to the rules governing seniority. Any complaint by the Union regarding an employee on this list will be handled in accordance with the grievance procedure.

Section 2. Recall and Return Rights

- a. Whenever there is an increase in the work force after an indefinite layoff, and before a new employee is hired in a given job family, an employee who has recall rights to that classification within the job family will first be offered employment in that classification in accordance with his seniority at the current rate of pay for the job to

which he is recalled. An employee will not be hired in labor grade 5 and below in a given job family without first considering those employees who are still on layoff in labor grade 6 and below in that job family. If employees in labor grade 6 and below are qualified to perform the work in question, they will be offered employment before a new employee is hired.

- b. An employee who subsequent to October 15, 1962, was, or who following the effective date of the Agreement, is transferred or recalled to a lower-rated job other than that to which he is entitled under the provisions of this section and Section 1 of this article, will be offered a transfer or recall in line of seniority to the specific higher-rated job that he was working at the time of his transfer or layoff. This provision does not apply to an employee who was transferred from a job for reason of "inability to perform the job that he was assigned."
- c. If an employee refuses to accept such offer of transfer, he will forfeit any further claim to any job equal or lower in the job family from which he was transferred or laid off.
- d. An employee will be reassigned under this section no later than the date his replacement reports for work.
- e. No employee will be eligible by reason of his seniority to be recalled or transferred to a higher-rated job, except as provided under Article VII, Section 1.c.(1)(a), or as provided under Article VII, Section 2.a.

Section 3. Loan Provisions

To avoid the undesirable features of short-time layoffs and short-time recalls, and in the interest of production efficiency that affects both employees and the Company, an employee may, upon written notification, including justification to the shop committeeman(s) with a copy to the Chairman of the Plant Grievance Committee, be loaned up to ten (10) working days into another job family from which there are employees on layoff. Written notification includes electronic messages sent to a designated Local 848 e-mail address. Loans in excess of ten working days are subject to mutual agreement in writing with the appropriate shop committeeman(s). Supervisor will provide notification to the union that includes employee(s) name, employee number, unit (to/from), job family (to/from), job classification (to/from) and date(s) of loan. Failure to notify the Union of such loan will be cause for compensation to the affected employee on layoff. Further, should the Company fail to secure mutual agreement beyond the said ten (10) days and continue working the loaned employee out of his job family, there will also be cause for compensation to the affected employee on layoff. The Company's liability will not exceed thirty (30) days. It is not the intent of the Parties that this provision will constitute a continuous or repetitive loan situation into the same job family or classification.

Section 4. Information Furnished Union

- a. The Company will furnish the Chairman of the Plant Grievance Committee the following:
 - (1) A listing reflecting the seniority, pay rates and last date of hire of employees covered by this Agreement

- (2) A unit personnel list.
- b. Each month, the Company will furnish the Chairman of the Plant Grievance Committee the following:
 - (1) A listing of promotions and demotions, other than those that are a result of the layoff-recall procedure, among the employees covered by this Agreement; and
 - (2) A listing of those employees placed in or removed from Section 900.
- c. At intervals of approximately three (3) months, the Company will furnish the Chairman of the Plant Grievance Committee with the following current information pertaining to the average employee covered by this Agreement:
 - (1) Average straight-time hourly earnings
 - (2) Average hourly earnings
 - (3) Average straight-time weekly earnings
 - (4) Average weekly earnings
 - (5) Average weekly hours worked.
- d. A copy of the recall letter, for those employees on layoff and being offered recall, will be given to the Chairman of the Plant Grievance Committee or his designee as soon as possible after the letter is mailed.
- e. A copy of the employee's acceptance or refusal of the recall offer, for those employees who are working in the plant, will be given to the Chairman of the Plant Grievance Committee or his designee as soon as possible after the offer is made.

Section 5. Promotions

- a. Whenever promotions are made to higher-rated jobs other than supervisory jobs, the job code, job title and the labor grade to which the promotion is to be made will be posted plant wide.
- b. Whenever the Company determines it is necessary to promote or increase the workforce or replace employees who have quit or otherwise left their employment, the following system will be employed:
 - (1) The supervisor having the vacancy will initiate a hire request, a Request for Personnel form, and obtain all necessary approval signatures.
 - (2) The completed and properly approved Request for Personnel form will be forwarded to the designated unit of the Company's Human Resources department for processing.
 - (3) Human Resources will log and otherwise document receipt of the completed and approved Request for Personnel form.
 - (4) Human Resources will complete a Promotion Notice form for posting in the designated area(s). The Promotion Notice will be posted in designated central areas by the agreed to Committeeman or their designee at each facility.
 - (5) The Request for Promotion form will be available at all designated Promotion Notice areas. The Request for Promotion form will be in triplicate.
 - (6) An eligible employee, within the posted job family, may bid within the allotted three (3) working days for a posted vacancy by completion of the triplicate Request for Promotion form. The Request for Promotion form is to be completed in detail, with any appropriate attachment, such as personal resume, and submitted to the bidder's immediate supervisor for acknowledgment

signature. The employee will then give one copy to the immediate supervisor, retain one copy, and forward the original via internal plant mail to the designated Human Resources unit.

- (7) Upon receipt of an employee's Request for Promotion form, the designated Human Resources unit will note date and time of receipt and will return, via internal plant mail, to the bidding employee a signed acknowledgment that the completed Request for Promotion form has been received in the designated Human Resources unit.
 - (8) Timely submitted and received bids submitted by eligible bidders within the posted job family will be considered and evaluated by the Company in the filling of a job vacancy.
 - (a) Human Resources will review the completed Request for Promotion form, individual personnel files and other data which identifies an employee's work experience, history, education, training, etc. for the purpose of verifying and listing the qualifications of the individual bidders.
 - (b) Human Resources will then complete an independent review and evaluation of those bidding.
 - 1) If it is determined there are no bidders who possess qualifications to fill the vacancy, Human Resources will inform the requesting supervisor, the appropriate committeeman(s), and will, through written communications, individually notify each unsuccessful bidder of the general reason(s) the bidder will not be promoted.
 - 2) Simultaneously, the Company's Employment unit will be notified to fill the Request for Personnel.
 - 3) Upon identification of one or more bidders who appear to possess basic qualifications for filling the vacancy, Human Resources will make a recommendation and transmit the applications for selection. Once the candidate(s) is selected, the employee will be notified. The Company will make every attempt to initiate promotion(s) within forty-five (45) days of the posting.
 - (9) In cases of cancellation(s) of the Request for Promotion, the bidder(s) and the respective committeeman will be notified of the reason for cancellation and the cancellation will be posted in the designated area(s) per Article VII, Section 5.b.(4).
 - (10) Whenever a less senior employee(s) is promoted to fill a job vacancy instead of a more senior bidder, Human Resources will discuss the promotion with the respective committeeman and/or steward if requested by the committeeman.
 - (11) Whenever it is practical and feasible to do so and will not delay production or otherwise adversely impact Company business, the Company's Employment unit will not be notified of new or replacement manpower requirements until such time as the Company has considered the eligible internal candidates who request consideration for promotion.
- c. When eligible employees within the job family do not submit a request within the three (3) working days' limitation because they are on vacation, jury duty, military duty (not exceeding two (2) weeks), temporary layoff or bereavement, or are absent not

more than five (5) days due to a bona fide illness, they may protest such promotions under the procedure set forth under Article V.

- d. In promotion to labor grades 4 and higher, seniority will govern where skill, qualifications and ability are equal; in promotions to labor grades 5 and lower, the most senior qualified employee will be promoted.
- e. While it is the intent of the Company to promote from within, nothing herein will be construed to prevent the Company from filling available openings through hiring after following the procedure set forth in Article VII, Section 5.b. An employee in the affected promotional area who feels he should have been promoted to an opening filled through hiring or transfer across job families may follow the procedure as set forth under Article V.
- f. Promotions may be processed in Job Families 5040, 5060, 5080, 7000, 7070, 7140, 7380, 7441, 7442, 7491, 7501 and 7700 without regards to employees having recall rights in the referenced job families.

Section 6. Inter-Unit Transfers

When the Company transfers individual employees or groups of employees from one unit to another, consideration will be given to seniority. Should an employee believe proper consideration has not been given, the supervisor will meet with the committeeman and the employee to explain the reason(s) for the transfer. Nothing herein, however, will prevent the Company from transferring employees to another unit for production reasons when such transfers do not entail a change of classification, job family or rate of pay.

Section 7. Shift Preference

- a. When an employee has been continuously and actively on a shift for three (3) months, he may request a transfer to another shift to a job within his director's area, except as noted per Letter of Agreement #24. If such job is held by a less senior employee in the same classification for at least three (3) months, the transfer will be made no later than the second Monday following the request date.
- b. Upon the completion of a shift preference request form (#2-03145), the supervisor will provide a copy to the employee and to the applicable union representative.
- c. Any employee who is recalled with Article VII, Section 1.c.(1)(a) rights, may bump, or be bumped to another shift provided he has spent a total of thirty (30) days in the same or higher classification from recall start to work date. Such transfer will be made no later than the second Monday following the request date.
- d. Any Employee with active recall rights that is re-hired into a job classification outside the provisions of Article VII, Section 1.c.(1)(a) rights, may bump, or be bumped to another shift provided he has spent a total of three months in the same or higher classification from re-hire start to work date. Such transfer will be made no later than the second Monday following the request date.
- e. An employee who accepts a promotion on a shift other than his present one may request a transfer to another shift in one (1) month rather than three (3) months.

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Such transfer will be made no later than the second Monday following the request date.

- f. Employees who voluntarily accept a shift transfer will sign a voluntary shift preference form provided by the Labor Relations Department reflecting that such transfer was voluntary.
- g. It is not mandatory for the Company to transfer more than twenty (20%) percent of the personnel in each unit in any calendar month.
- h. The Company can transfer an employee to another shift for explained production reasons for up to sixty (60) calendar days per transfer. At the end of the sixty (60) day period, the employee will, upon request, be returned to his former shift no later than the Monday following, provided there is an employee with less seniority on that shift. No employee shall be subject to transfers under this section for a total of more than ninety (90) calendar days in any (12) month period.
- i. An employee may exercise his shift preference immediately if he was transferred to another shift involuntarily and if there is a less senior employee in his classification who has been in the same classification for at least three (3) months - this not withstanding Article VII, Section 7.g.

Section 8. Sixty-Day Clause

An employee transferred from one job family to another will, for the purpose of layoffs, retain seniority in the job family from which he was transferred for a period of sixty (60) days. Effective June 19, 1988, employees transferred into a classification after sixty (60) days will have seniority in that classification and job family retroactive to their date of transfer, and such date will be their seniority date in that job family. Inequities up to five (5) days affecting an employee's layoff status will be discussed with the Chairman of the Plant Grievance Committee to determine the employee's correct job family. This section will not apply when:

- a. An employee is transferred in accordance with Article VII, Section 9.b. and d.
- b. An employee is transferred or recalled to a job family in accordance with Article VII, Section 1.c(1).
- c. An employee is in a classification in Job Families 5040, 5060, 5080, 7000, 7070, 7140, 7380, 7441, 7442, 7491, 7501 and 7700 unless not previously classified in these referenced job families.

Section 9. Excluded Employee Entering Unit

- a. All employees transferring from the bargaining unit to salary prior to October 1, 2000 will continue to accrue seniority. All employees transferring from the bargaining unit to salary after October 1, 2000 will continue to accrue seniority from his date of transfer for up to the recall period of time provided in Article VII, section 11, d.
- b. If an employee transfers from the bargaining unit to a nonsupervisory salary position, and a layoff occurs in the job family and job classification he held at the time of his transfer, then his seniority will be affected in the same manner as if he were still in the bargaining unit.

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- c. A supervisory employee's seniority is not affected by a layoff as long as he supervises bargaining unit employees; however, if a supervisor is affected by Article VII, Section 9.b, to the extent that he is no longer accruing seniority, he must have supervised bargaining unit employees twelve (12) months immediately prior to returning to the bargaining unit with seniority.
- d. A salaried employee may return to the bargaining unit at the highest classification held within the job family that seniority entitled him in accordance with the layoff procedure and the sixty (60) day rule does not apply. If the job classification he was previously in has been changed or incorporated into a new job family, the employee's former job family will be considered the job family that now encompasses the work he formerly performed. The employee returning to the bargaining unit will be returned at the rate of pay he would have received had he remained in the bargaining unit.
- e. If a salaried employee does not hold seniority in his former job family and is transferred into the bargaining unit, the sixty (60) day rule does apply.
- f. If an hourly supervisor's job family in which he had acquired bargaining unit seniority no longer exists, such hourly supervisor may be transferred back into the bargaining unit into the job family he last supervised, provided:
 - (1) He was supervisor over the job family for twelve (12) months or more; and
 - (2) It is the largest job family in terms of number of workers as reflected by the seniority listing. The sixty (60) day rule will not apply and he will be slotted-in according to his seniority position in line with the layoff procedure.
- g. If a salaried employee who was not formerly in the bargaining unit is transferred into it, seniority will commence on the date of entry into the bargaining unit.

Section 10. Probation Period

- a. An employee will be considered a probationary employee from hire date through a period of ninety (90) calendar days following the employee's transfer into a production unit, not to exceed one hundred twenty (120) calendar days from the employee's first day of work.
- b. After completing his probationary period, an employee's seniority will be accumulated from his date of hire. The provisions of this Agreement will apply during his probationary period; however, there will be no responsibility on the part of the Company for continuous employment or for reemployment if said employee is laid off before the completion of his continuous probation period. During such probationary period, layoff or discharge will be left to the discretion of the Company.
- c. An employee transferred from one job family to another and acquiring "entry-date seniority" per Article VII, Section 8 will be considered a probationary employee for sixty (60) calendar days following entry date into the job family not previously held. This probationary period will be for the purpose of determining whether the employee can successfully accomplish the major functions of the job classification entered. Before the Company removes the employee from the classification, supervision will fully discuss with the employee, the respective committeeman and steward the reason(s) the employee is unable to perform the duties required to retain the position. The employee will have bump rights as provided for in Article VII, Section 1.c(1).

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Section 11. Loss of Seniority

An employee will lose seniority under any one of the following circumstances:

- a. He resigns
- b. He retires
- c. He is discharged for just cause
- d. He is laid off for lack of work for a period of more than forty-eight (48) months, provided he has recall rights on or subsequent to the effective date of this Agreement.
- e. He fails to report for work within five (5) working days (or fails within said five (5) working day period to give satisfactory reasons for not returning to work), after due notice of recall to return to work has been delivered by certified letter from the Company to the employee's last known address.
 - (1) The employee is requested to notify the Company within twenty-four (24) hours of receipt of this notice as to whether he accepts or refuses the recall.
 - (2) An employee's last known address will be the address shown on the employee's last termination notice; however, if the employee has subsequently furnished the Employment Office written and dated notice of address changes, then the most recent change will be used as the employee's last known address.
 - (3) If an employee is sent a recall letter in line with his seniority and within five (5) working days submits to the Company satisfactory medical evidence showing he is unable to return to work because of illness or injury, he will be bypassed for a period not to exceed forty-eight (48) months provided he continues to submit satisfactory medical evidence once each month that he is unable to return to work. Upon receiving a release from his doctor that he is able to return to work, he will report to the Company Employment Office within five (5) working days for the purpose of going to work.
 - (4) If an employee provides satisfactory medical evidence and is determined to be ill at recall within ninety (90) days of his recall expiration date, the employee will be granted up to a six (6) month extension from the date he is determined ill at recall for the purposes of returning to work.
- f. He is absent for five (5) consecutive workdays without properly notifying the Company. Such absence will be considered a voluntary quit, unless the employee can present satisfactory proof to justify his failure to notify the Company. Each employee will be given a listing of the phone number(s) he is to use for reporting absences.

Section 12. Period of Recall

An employee's seniority record will not be interrupted by layoff for lack of work provided he has recall rights as of the effective date of this Agreement and is recalled within a period of forty-eight (48) months from date of layoff.

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Section 13. Seniority of Union Representatives

- a. The Union President, First Vice President and members of the Union Plant Grievance Committee will have top seniority in their job family and classification in the event of a layoff.
- b. During his term of office, a steward will have top seniority in the job family and classification in the area to which he is assigned for the purpose of handling grievances, and on the respective shift in the event of a layoff.

Section 14. Same Seniority Date

It is agreed that in those instances where employees have the same seniority date as established by Article VII, Section 8, Sbdy-Day Clause, the employees will have for the purpose of indefinite layoff seniority (service time excluded) from the date of employment with the Company. In the event that both entry date seniority and Company seniority (not service time) are equal, the employee having the lowest employee number will be the most senior employee in the event of indefinite layoff.

**ARTICLE VIII
WAGE RATES, PERFORMANCE AWARDS,
AND SHIFT DIFFERENTIALS**

Section 1. General Increases

- a. Effective March 12, 2001, the base hourly wage rates of all employees covered by this Agreement will be increased by three percent (3%).
- b. Effective March 10, 2003, the base hourly wage rates of all employees covered by this Agreement will be increased by two percent (2%).
- c. Effective March 8, 2004, the base hourly wage rates of all employees covered by this Agreement will be increased by three percent (3%).

Section 2. Automatic Progression Within Labor Grade

- a. Effective October 1, 2000 the base rate of employees continuously employed in a particular job classification will be advanced twenty cents (\$.20) per hour every Quarter. Such increases will be effective on the first Monday in March, June, September, and December of each year of this agreement until the maximum rate of the grade for such classification is reached. If an automatic increase will bring an employee's base rate within four cents (\$.04) of the maximum of the assigned rate range, the amount will be added to his last automatic increase.
- b. Effective October 9, 2000, all employees in Automatic Progression will receive an increase, not to exceed maximum rate, of twenty cents (\$.20) per hour to his base rate. This adjustment will bring all employees in Automatic Progression to an equal status to begin application of the schedule listed in Article VIII, section 2.a.
- c. The rate of an employee who is promoted or transferred to a higher labor grade job will immediately be advanced to either:
 - (1) A rate fifteen cents (\$.15) per hour above his present rate if the promotion involves a one (1) or two (2) labor grade increase not to exceed the labor grade maximum
 - (2) A rate thirty cents (\$.30) per hour above his present rate if the promotion involves a three (3) or more labor grade increase, not to exceed the labor grade maximum
 - (3) If he has been previously classified in the particular labor grade and job family subsequent to his date of seniority, his previous rate held while classified in the particular labor grade and job family if it is higher than he would receive under either Article VIII, Section 2.c.(1) or (2).
 - (4) A rate equal to the minimum of the rate range if it is greater than fifteen cents (\$.15) or thirty cents (\$.30).
- d. The rate of an employee transferred to a lower labor grade job within the same job family or within a job family in accordance with Article VII, Section 1.c.(1) will be decreased to either:

- (1) A rate fifteen cents (\$.15) per hour below his present rate, or to the maximum of the lower labor grade if the maximum is in excess of fifteen cents (\$.15) per hour
 - (2) Employees laid off and returning to job families with rights acquired through the sixty (60) day clause provision will be paid the rate they would have been paid had they remained in the classification.
 - (3) If the employee was previously classified in the particular labor grade and job family, his previous rate on that job if it is higher.
- e. An employee who is laterally transferred within the same job family in accordance with Article VII, Section 1.c.(1) will have no loss of rate due to such transfer and his advancement in rate in his new classification will be as if he had remained in his prior classification.
 - f. An employee who is transferred to a job in the same or lower labor grade in a different job family will be paid an appropriate rate according to his qualifications and will, thereafter, advance as provided above.
 - g. An employee whose base rate is above the maximum rate of his labor grade as a result of the transfer from the former Temco rate structure to the Vought Aircraft Company rate structure will retain this "red circle" rate so long as he is continuously employed on that particular job classification, and will be subject to subsequent general increases based on his red circle rate. If the employee is not paid a red circle rate due to being laid off or transferred to another job classification for a period of eighteen (18) months or more, he will not receive the benefit of his former red circle rate should he return to the particular job classification in which he held that rate.

Section 3. Rate Ranges

a. Hourly Rate Structure Schedule

Effective: October 1, 2000

UAW Rate Schedule			
LG	Min	Mid	Max
L	14.95	19.81	24.67
1	14.69	19.55	24.42
2	13.87	18.82	23.78
3	13.06	18.13	23.20
4	12.28	17.21	22.16
5	11.42	16.56	21.70
6	10.60	15.95	21.30
7	9.80	15.43	21.06
8	8.98	14.90	20.81
9	8.15	14.38	20.62
10	8.15	11.64	15.14

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In addition, effective March 9, 1992, any lead over labor grade 1 employees will progress to a rate fifty-one cents (\$.51) above the maximum of labor grade L.

- b. Each labor grade maximum will be increased by the general increase percentage reflected in Article VIII, Section 1 effective on the date of such general increase.
- c. Beginning July 15, 1996, and on each subsequent COLA effective date during the life of this Agreement, a revised Hourly Rate Structure Schedule will be published by Wage Administration. Copies will be distributed to the UAW Local 848 President, Chairman of the Plant Grievance Committee and each committeeman.

Section 4. Performance Awards

- a. Each employee on the active payroll or in section 900 on October 1, 2000 will receive a ratification bonus in the amount of fifteen hundred dollars (\$1,500) payable October 13, 2000.
- b. On March 15, 2002, a performance award will be paid to each employee who is either on the active payroll, in Section 900, or on layoff with recall rights on December 31, 2001, or who retired during 2001. This performance award will be a lump sum amount equal to five percent (5%) of the employee's 2001 "total sources" earnings while employed in this collective bargaining unit.
- c. On March 21, 2003, a performance award will be paid to each employee who is either on the active payroll, in Section 900, or on layoff with recall rights on December 31, 2002, or who retired during 2002. This performance award will be a lump sum amount equal to three percent (3%) of the employee's 2002 "total sources" earnings while employed in this collective bargaining unit.
- d. On March 19, 2004, a performance award will be paid to each employee who is either on the active payroll, in Section 900, or on layoff with recall rights on December 31, 2003, or who retired during 2003. This performance award will be a lump sum amount equal to two percent (2%) of the employee's 2003 "total sources" earnings while employed in this collective bargaining unit.
- e. Beneficiaries of deceased employees will receive the performance award the employee would have been entitled to based on their earnings in the year of their death.

Section 5. Shift Differential

- a. The Company will pay to all hourly-rated employees on the second shift their base hourly rate plus five percent (5%).
- b. The Company will pay to all hourly-rated employees on the third shift their base hourly rate plus five percent (5%). Hourly-rated employees on the third shift whose regular shift comprises not more than six and one-half (6½) working hours, and who work a full six and one-half (6½) hours on that shift will receive eight (8) hours' pay. All work performed on such third shift over six and one-half (6½) hours will be considered overtime and will be paid for at time and one-half. An employee who is late more than thirty (30) minutes at the start of the shift or who leaves more than thirty (30) minutes before the end of the shift will not receive the additional one and one-half (1½) hours' pay.

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- c. The base hourly rate plus five percent (5%) or seventy-five cents (\$.75), whichever is higher, will be paid by the Company to all hourly-rated employees on the third shift, who are assigned to seven (7) day operations and who have a regular or normal work day of eight (8) hours.

Section 6. Cost-of-Living Allowance (COLA)

In addition to the base rate of pay of each employee and subject to the conditions and provisions set forth in this section, a cost-of-living allowance (COLA) will be paid to each employee based upon changes in the cost-of-living as follows:

- a. The cost-of-living allowance, if any, will be determined in accordance with changes in the Consumers' Price Index for Urban Wage Earners and Clerical Workers (CPI-W), Revised Series (U.S. city average, all items, 1982 equals 100), based on the rental equivalency now published monthly by the Bureau of Labor Statistics, U.S. Department of Labor (hereafter referred to as BLS Consumers' Price Index).
- b. The cost-of-living allowance will be computed on the basis of one cent (\$.01) for each two-tenths (0.2) point increase or decrease in the BLS Consumers' Price Index and will be calculated and made effective quarterly, as shown in the following table.

Effective Date	COLA Computation Period Based on Average of Three-month BLS Consumers' Price Indices for:
October 16, 2000	June, July, August 2000
January 15, 2001	September, October, November 2000
April 16, 2001	December 2000, January & February 2001
July 16, 2001	March, April, May 2001
October 15, 2001	June, July, August 2001
January 14, 2002	September, October, November 2001
April 15, 2002	December 2001, January & February 2002
July 15, 2002	March, April, May 2002
October 14, 2002	June, July, August 2002
January 13, 2003	September, October, November 2002
April 14, 2003	December 2002, January & February 2003
July 14, 2003	March, April, May 2003
October 13, 2003	June, July, August 2003
January 12, 2004	September, October, November 2003
April 12, 2004	December 2003, January & February 2004
July 12, 2004	March, April, May 2004

For example, the amount of the cost-of-living allowance that is effective on October 16, 2000, will be calculated using the BLS Consumers' Price Index for June, July, and August, 2000 and any subsequent adjustments in the BLS Consumers' Price Index will be computed as stated in Article VIII, Section 6.b.

- c. Effective with the October 16, 2000, adjustment and thereafter, to receive the COLA adjustment each employee must have been an active employee, or in Section 900 for the full period in which the adjustment is made. For example in the case of a new hire, to receive the October 16, 2000, adjustment, an employee must be on the payroll on or before June 1, 2000. For the January 15, 2001 adjustment, the employee must be on the payroll on or before September 1, 2000, and so forth. An employee on layoff with recall rights will receive a COLA adjustment for any quarter in which he was an active employee for at least one (1) day during the COLA computation period.
- d. COLA adjustments will be folded into each employee's base rate and each labor grade maximum will be increased by the amount of the COLA adjustment on each COLA effective date.
- e. An employee's cost-of-living allowance will be included in computing pay for overtime premium, vacation, holiday, call-in, jury duty, bereavement and military duty.
- f. In the event the Bureau of Labor Statistics does not issue the Consumers' Price Index on or before the effective dates referred to in Article VII, Section 6.b, any adjustments required will be made at the beginning of the first pay period after receipt of the index.
- g. No adjustments, retroactive or otherwise, will be made due to any revision which may later be made in the published figures for the BLS Consumers' Index for any base month.
- h. The Parties agree that this provision for a cost-of-living allowance is dependent upon the availability of the official monthly BLS Consumers' Price Index in its same form and calculated on the same basis as the indices for June, July, and August 2000.

ARTICLE IX
JOB CLASSIFICATIONS, FAMILIES
AND LABOR GRADES

Section 1. Changes in Job Family Appendices

- a. The job classifications and labor grades, as listed in the Job Family Appendices, and any new ones that may be established in accordance with this article, become a part of and are subject to all the applicable provisions of this Agreement. The agreed-to job descriptions and specifications currently in existence and any new or revised ones that may be established in accordance with this article become a part of and are subject to all the applicable provisions of this Agreement.
- b. The Company will have the right to establish new jobs, to revise existing jobs, to evaluate and to obsolete jobs, providing such action will not be directed toward reducing the labor grade of a job in which no substantial change in the job itself has occurred.
 - (1) When a new or revised operation involves duties that are not adequately or specifically described or properly evaluated in an existing job description, specification and classification, the Company has the right to develop and establish such new or revised job descriptions, specifications and classifications, rates of pay, and job family placements, and to place them into effect. An existing job description, specification and classification will not be considered to cover a new or revised job classification if:
 - (a) The new or revised job covers major specific functions not called out in the existing job; or
 - (b) The existing job covers major specific functions not called out in the new or revised job.
 - (2) Notwithstanding other provisions of this Collective Bargaining Agreement, the Company will advise the Union of its intent to place a new or revised job into effect thirty (30) calendar days prior to actually working the job. Following such notification, the Parties will meet and discuss the proposed new or revised job in an effort to reach agreement on the job classification and job family placement. Upon the Parties reaching an agreement, the new or revised job will be placed into effect. Should the Parties not reach agreement within the thirty (30) calendar day period, the Company may place the new or revised job into effect in accordance with the provisions of the Collective Bargaining Agreement.
- c. The Company will send by certified mail ten (10) copies of such job descriptions, specifications and classifications, rates of pay and job family placements to the President of the local Union within fifteen (15) days after placing them into effect. The job specification sheets will include the factors, point scoring and other information.
- d. The Union will have the right, within thirty (30) days of receipt from the Company of a new or revised job, to file a Union grievance alleging:
 - (1) Improper evaluation and labor grade
 - (2) Improper job family placement; and/or

- (3) That such new or revised operations should be placed or retained in an existing job description, specification and classification. Such grievance will state the Union's position, the facts upon which it is based and the remedy or correction requested. In the event of a job rating grievance, the specific factors with which the Union disagrees, together with the reasons why it believes the factors are not evaluated properly, must be listed by the Union on the grievance form. In the event that the Company and the Union are unable to resolve the grievance, it may be appealed to arbitration in accordance with Article V, Section 8.a. The arbitration will be limited to a determination (based on the work as described by the Company) of:
- The proper evaluation
 - The proper labor grade
 - The proper job family; and
 - Whether the new or revised job may properly be placed or retained in an existing classification.
- e. Thirty (30) days after receipt of such notification, if the Union has not filed a Union grievance, the job classification will be added to the Job Family Appendices. The job description and specification, rate of pay, and job family placement will become a part of and be subject to all of the applicable provisions of this Agreement.
- f. The Company's right to make work assignments and to determine methods of operations is in no way restricted by this article and will not be subject to arbitration.
- g. When arbitrating the rate of pay for a job, the authority of the arbitrator will be limited to determining which of the existing labor grades the new or revised job will be placed in. The arbitrator will base his award on evidence either Party presents under the Company's Hourly Job Rating Plan, including intraplant job comparison material.
- h. The effective date of the rate of pay of any new or revised job will be the date the new or revised job was placed into effect by the Company. In the event this rate is revised through the grievance procedure, such revision will be retroactive to the date the job was placed into effect.
- i. In the event that the job is placed in a different job family or classification than the group or classification in which the Company originally placed it, either by agreement between the Parties or by decision of the arbitrator, the effective date of displacement pay, if any, will be three (3) working days from the date of settlement by the Parties, or three (3) working days from the date of receipt of the arbitrator's decision by the Company. When the Union gives notice to the Company of intent to arbitrate such a matter, it will list in writing to the Company the reasons for disagreement and the relief sought.
- j. The Company agrees to include in the "Description of Duties":
- Any duty presently appearing as part of the job specifications
 - Experience; and
 - Education

The Company agrees with the principle that, lower classified employees should not perform higher classified work on a regular and consistent basis without being paid the higher rate. The Company will continue to use "C" classifications when the need for such classifications exists. While the Company agrees that all job descriptions should

be written to show a clear line of demarcation between classifications, it cannot agree that all unrelated duties appearing in present job descriptions will be removed.

Section 2. Work Outside Job Family

- The Company will make every effort possible to keep employees working in their respective classifications and job families. In the event an employee is required to work outside of his job family in excess of ten (10) days, such period of time in excess of ten (10) days will be mutually agreed to in writing by the Company and the respective committeeman(s). Job descriptions and specifications will be used for the purpose of distinguishing one job classification from another as clearly and definitively as possible. In multilevel or series-type jobs, job descriptions and specifications must distinguish the level of pay of each job.
- It is understood that employees may be required to perform work within other job families, de minimis in length, and only in conjunction with the completion of their normal job.

Section 3. Involuntary Transfer to Lower Classification

Under the terms of prior Agreements, an employee could not be involuntarily transferred to a lower classification within his job family, resulting in a condition where an employee could be assigned to the "A" classification with the commensurate rate while performing the duties of the "B" classification. The Parties again agreed during the 1965 negotiations that where the above condition exists, an employee will not be transferred to a lower labor grade within his job family for the duration of this Agreement, except under the following conditions:

- When there has been a significant change in the job content of the classification to which an employee was assigned or a significant change in his work assignment.
- When there is a bona fide reduction in force that affects the employee in his job family.

It was further agreed between the Parties that an employee cannot use misclassifications as cited above as grounds for requesting an upgrade.

Section 4. Proper Classification

For the purpose of determining if an employee is properly classified, it is understood and agreed that an employee will not be required to perform all of the incidental duties included in a job description, but he must perform the major functions of the job on a regular basis. Major functions are those duties called out in a job that are not covered in a lower-rated job and require the performance of a skill or other factor that is not required in the lower-rated job. An employee will not be considered to be improperly classified by reason of occasionally performing major functions or isolated or minor duties in a higher job. In case of dispute, the normal function of the job will govern based on the normal past practice of the shop. When it is determined that an employee is improperly classified, these findings will not be used as grounds for requesting an upgrade of the employee. Promotion reassignment and/or replacement of the employee will be effected under the terms provided herein.

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**ARTICLE X
HOURS NOT WORKED,
INCOMPLETE DAYS WORKED**

Section 1. Bereavement Pay

- a. Three (3) days bereavement pay will be granted to an employee who takes time off from a regular workweek because of a death in the immediate family (as defined below). Upon satisfactory proof, bereavement pay will be provided for a death of the following:

EMPLOYEE'S FAMILY

Spouse	Children
Father	Mother
Brother	Sister
Half brother	Half sister
Stepfather	Stepmother
Stepbrother	Stepsister
Stepchildren	Grandchildren
Grandfather	Grandmother
Great-grandfather	Great-grandmother
Great-grandchildren	

**PRESENT
SPOUSE'S FAMILY**

Father
Mother

- b. Bereavement pay will be authorized where the request is for time off from work during any one or more of the following days (note that weekends, holidays or other non-regularly scheduled work days are excluded in determining an employee's maximum three (3) days bereavement pay settlement):
- (1) The date of death; the first, second or third regularly scheduled work day immediately preceding the date of death; the first, second or third consecutive regularly scheduled work days immediately following the date of death; the date of interment; the first, second or third regularly scheduled workday immediately preceding the date of interment; and/or the first, second or third consecutive regularly scheduled work day immediately following the date of interment.
 - (2) The days taken by the employee for those designated above need not be consecutive.
- c. Authorized bereavement pay will count as time worked for the purpose of determining vacation eligibility and for pensions.
- d. Bereavement pay will be authorized on a pro-rata basis when only a portion of a regularly scheduled work day is taken off.
- e. Authorized bereavement pay will count as time worked for the purpose of computing overtime.

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- f. Authorized time off under the bereavement pay policy will count as time worked for the purpose of determining holiday pay eligibility.
- g. Time off under the bereavement pay policy may be approved for days falling within an employee's scheduled vacation. Days for which bereavement pay is so proved will not be counted as vacation days.
- h. Bereavement pay will not be granted to an employee who is on leave of absence or extended sick leave (Section 900).

Section 2. Holidays

Hourly rated employees who meet all of the eligibility rules and conditions will be paid for the following holidays:

Holiday	2000	2001	2002	2003	2004
New Year's Day		Jan 1	Jan 1	Jan 1	Jan 1
Martin Luther King Jr. Day		Jan 15	Jan 21	Jan 20	Jan 19
Good Friday		Apr 13	Mar 29	Apr 18	Apr 9
Memorial Day		May 28	May 27	May 28	May 31
Independence Day		July 4	July 4	July 4	July 5
Labor Day		Sep 3	Sep 2	Sep 1	Sep 6
Thanksgiving Day	Nov 23	Nov 22	Nov 28	Nov 27	
Day after Thanksgiving	Nov 24	Nov 23	Nov 29	Nov 28	
Year End Holiday	Dec 25	Dec 24	Dec 23	Dec 24	
	Dec 26	Dec 25	Dec 24	Dec 25	
	Dec 27	Dec 26	Dec 25	Dec 26	
	Dec 28	Dec 27	Dec 26	Dec 29	
	Dec 29	Dec 28	Dec 27	Dec 30	
		Dec 31	Dec 30	Dec 31	
			Dec 31		

- a. An employee will receive eight (8) hours pay at his regular base rate, including shift differential, but excluding all premiums, bonuses or overtime allowances for such holiday not worked, provided he meets all of the following provisions:
- (1) The employee would otherwise have been scheduled to work on such day if it had not been observed as a holiday
 - (2) The employee must have worked the last scheduled workday prior to, or the next scheduled workday after such holiday. However, this subsection (2) will not apply in the event that absence on the workday prior to or on the workday after such holiday has been excused because of:
 - (a) The employee's bona fide illness
 - (b) Death in the employee's immediate family
 - (c) The performance of jury duty
 - (d) Occupational injury of the employee
 - (e) Excused Union business

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- (f) The employee is laid off during the week in which the holiday falls
 - (g) The employee is placed in Section 900 due to illness or occupational injury, during the week in which the holiday falls
 - (h) The employee returns to work from Section 900 on Tuesday following a Monday holiday and would have otherwise returned to work on Monday had it not been observed as a holiday.
- (3) If an employee in Section 900 is released by his doctor to return to work on a date that falls between the last scheduled workday prior to the Christmas through New Year holiday period, and that employee works the first scheduled workday following New Year's Day, he will receive holiday pay for those holidays observed by the Company, beginning with the date on which he would have returned to work had it not been observed as a holiday.
- b. When a holiday falls on Saturday, the preceding Friday will be observed as the holiday and will be paid as such holiday. When a holiday falls on Sunday, the following Monday will be observed as the holiday and will be paid as such holiday.
 - c. When one of the above holidays falls within an eligible employee's scheduled vacation period and the employee is absent from work on the holiday because of vacation, he will be granted an additional day of paid vacation.
 - d. The Company may, at its option, observe the holidays listed in Article X, Section 2 by not operating its plants, departments or sections thereof, or it may schedule such holidays as regular workdays. An employee who is scheduled for work on any holiday and who fails to report for and perform such work will not receive pay for the holiday except where there are other employees willing to work as set forth under Article VI, Section 7.h. If work will be required during the Christmas shutdown, a list of affected employees will be posted by December 15. If the contemplated work load requires changes to the list, overtime for the additional employees will be on a voluntary basis.
 - e. An employee eligible for holiday pay under these provisions who is scheduled to work and performs work on a holiday will receive pay for such work only in accordance with the applicable provisions of Article VI, Section 5.

Section 3. Jury Duty/Witness Pay

- a. When an employee is required to and actually does serve on jury duty on a regularly scheduled working day, regardless of shift, he will receive eight (8) hours' pay at his base rate less any jury fees he receives, provided he notifies the Company prior to the day on which his jury duty is scheduled to begin. In instances of standby jury duty, an employee will receive pay only for hours subsequent to being called to jury duty not to exceed the remainder of the shift. Satisfactory proof of such services must be given to the Company before this section will apply.
- b. An employee who has been subpoenaed adversely to testify in a case other than one involving himself, the Company, or the Union, and does testify, will receive eight (8) hours pay at his base rate less any witness pay he received, provided he notifies the Company prior to the day which he is scheduled to testify. Proof of such service satisfactory to the Company must be given before pay will be authorized.

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Section 4. Military Pay

Any employee who is called to and performs short-term active duty of two (2) weeks or less as a member of the U.S. Armed Forces Reserve or National Guard will be paid the difference between his military pay and his normal straight-time earnings for this period, not exceeding two (2) weeks. This will be limited to ten (10) workdays per Military year, beginning October 1 of each year.

Section 5. Rest Periods

- a. Employees will be allowed one (1) scheduled ten (10) minute rest period before and one (1) scheduled ten (10) minute rest period after lunch in each scheduled eight (8) hour work shift at times designated by the Company. Employees will work up to the start of the rest period and be at work at the end of the rest period.
- b. Employees will be allowed one (1) scheduled ten (10) minute rest period for each two (2) hours of scheduled overtime.

Section 6. Personal/Sick Pay

- a. Employees will accumulate personal/sick pay credit at the rate of one-twelfth (1/12) of forty (40) straight-time hours for each month of service during the calendar year, and will be credited with the amount thus accumulated on the following January 1, provided they were on the active payroll prior to November 1 of the calendar year and they are on the active payroll on such January 1.
- b. No employee will be credited with personal/sick pay until the January 1 following the calendar year in which personal/sick pay credits are accumulated. No employee will be credited for more than forty (40) hours' personal/sick pay at the end of any calendar year.
- c. Personal/sick leave credited on any January 1 for employment in the previous year and that credited under Article X, Section 6.c(2) will be paid the following January 1, with the following exceptions:
 - (1) An employee who is absent at least one (1) hour or who receives a pass to leave the plant at least one (1) hour before the end of the shift will, at his request, be paid personal/sick pay in one (1) hour increments up to eight (8) hours if he is eligible. Third shift employees not working the required six and one half (6 1/2) hours may take Sick/Personal pay in one (1) hour increments to complete eight (8) hours. Example: 3rd shift employee leaving plant after five (5) hours work must take three (3) hours Sick/Personal for credit of eight (8) hours.
 - (2) An employee who is eligible for payment of unused personal/sick pay on January 1 may elect to defer such payment and add these unused days to those with which he was credited on that January 1, for a combined maximum not to exceed fifteen (15) days.
 - (3) An employee who, for any reason, terminates prior to the following January 1, will be paid all the unused personal/sick pay credited to him the previous

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January 1 in addition to the unused personal/sick pay deferred by him under Article X, Section 6.c(2).

- d. Personal/sick pay credits accumulated prior to day of layoff, death or retirement will be handled as follows:
- (1) An employee who is laid off, who
 - (a) at the time of layoff was accumulating personal/sick pay credits for time worked,
 - (b) had not been credited with personal/sick pay the January 1 preceding the date of his layoff, and
 - (c) is not recalled during the same calendar year, will on date of recall be credited with all personal/sick pay credits accumulated between the date of his layoff and the preceding January 1. He will then be paid in accordance with Article X, Section 6.c.
 - (2) An employee who is laid off, retires or dies and who was credited on January 1 preceding the date of layoff, retirement, or death with personal/sick pay hours accumulated prior to this January 1, will be paid all the personal/sick pay hours accumulated by him between the date of his layoff or retirement and the preceding January 1.
- e. For the purpose of this section, a full calendar year will mean from January 1 through December 31, during which an employee is paid by the Company for performing work for the Company, except as outlined in Article X, Section 6.f. A month of service, for the purpose of this section, will be defined as service for the Company of no less than the first (1st) day through the sixteenth (16th) day of any calendar month, or the fifteenth (15th) day through the last day of any calendar month.
- f. If an employee is on leave of absence and/or in Section 900 for a total exceeding sixty (60) calendar days in a given calendar year, his personal/sick leave credit on the following January 1 will be reduced three and three-tenths (3.3) hours for each thirty (30) days or fraction thereof of such excess. For example: if an employee has a total of eighty-six (86) days of leave and/or days in Section 900 in the calendar year 1978, his personal/sick leave credit on January 1, 1979, will be reduced three and three-tenths (3.3) hours. The following exceptions apply:
- (1) No allowance for leave of absence time and/or Section 900 time will exceed the number of days an employee works and is paid for by the Company in any calendar year.
 - (2) Any employee on leave of absence and/or Section 900 for a total of eleven (11) calendar months during the previous calendar year will not be credited with any personal/sick pay hours on any January 1 under this plan.
- g. Payments made under this personal/sick pay plan will be computed at the current straight-time hourly rate the employee is receiving at the time of such payment. Personal/sick pay will be paid only for straight-time hours not worked by the employee and in no event for an absence of less than one (1) hour.
- h. Language under this section does not in any way alter the requirements for holiday pay.

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Section 7. Vacations

a. Eligibility

- (1) A vacation of one (1) week, consisting of five (5) working days, will be allowed an hourly rated employee who on his seniority date in any year during the life of this Agreement will have been continuously and actively in the employ of the Company for a period of at least one (1) year prior thereto.
- (2) A vacation of two (2) weeks, consisting of ten (10) working days, will be allowed an hourly rated employee who on his seniority date in any year during the life of this Agreement will have been continuously and actively in the employ of the Company for a period of at least two (2) years prior thereto.
- (3) A vacation of three (3) weeks, consisting of fifteen (15) working days, will be allowed an hourly rated employee who on his seniority date in any year during the life of this Agreement will have been continuously and actively in the employ of the Company for a period of at least ten (10) years prior thereto.
- (4) A vacation of four (4) weeks, consisting of twenty (20) working days, will be allowed an hourly rated employee who on his seniority date in any year during the life of this Agreement will have been continuously and actively in the employ of the Company for at least fifteen (15) years prior thereto.
- (5) An hourly rated employee who does not meet the requirements of either Article X, Section 7.a(1), (2), (3) or (4), will receive no vacation, and every employee who does meet the requirements of one (1) or more of these subsections will receive only the vacation specified in that subsection that gives him the longest vacation.

b. Rate of Pay

The vacation pay allowances mentioned in this section will be computed at the employee's regular base hourly rate of pay, including shift differential, but exclusive of all premiums or overtime allowances. Any vacation allowance paid on a pro rata basis will be deducted from the regular allowance.

c. Eighty Percent Rule

- (1) All employees covered by Article X, Section 7.a(1), (2), (3) and (4) must, on the seniority date used for computing their vacation eligibility, have worked at least eighty percent (80%) of the regular scheduled working hours of the plant since their seniority date of the preceding year.
- (2) Absences up to sixty-five (65) workdays due to indefinite layoff for lack of work and temporary layoffs for causes specified in Article VII, Section 1.e, or absences for jury duty, or absences up to twenty (20) workdays for military service, or days absent for which an employee receives personal/sick pay will not be charged against the employee in the computation of vacation eligibility under the eighty percent (80%) rule mentioned above. In addition, absences due to occupational injury and absences excused by the Company for Union business will not be charged against the employee in the computation of vacation eligibility under said rule.

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d. Schedules and Cancellations

- (1) Vacation is to be scheduled by seniority between February 1 and February 15 of each year. An employee who refuses to schedule on any round may not subsequently bump a less senior employee's selection. Furthermore, once selections are made, they may not be changed if the selection affects another employee's prior selection. An employee transferring to a unit where vacation schedules conflict with the transferring employee's prior vacation selection(s) will not be allowed to bump an employee because of seniority from a vacation schedule previously selected. However, every effort will be made to accommodate the employee if the transfer was initiated by the Company for production reasons.
- (2) No vacation may be cancelled without the employee's consent during the two (2) week period immediately preceding the effective date, nor will the Company force an employee to go on vacation without two (2) weeks' prior notice, provided there is no major change in the production schedule.
- (3) During the vacation year, up to three (3) weeks, fifteen (15) days, of an employee's credited vacation may be taken one (1) or more days at a time. Vacations of less than a full week will not be scheduled on the departmental vacation roster. Vacations scheduled in a block of one (1) or more consecutive weeks will have precedence over a vacation of less than a full week. An employee's request for a vacation of less than a full week must be made at least two (2) weeks prior to the week in which the vacation would occur and the scheduling of such vacation will be granted on the basis of production schedule and the number of employees already scheduled for a full week of vacation during such week. Up to ten (10) days of an employee's single day allowance may be used for emergencies. An employee requesting emergency vacation must notify the Company within the first two (2) hours of his shift.

e. Unused Vacation

- (1) An employee who is in Section 900 or who has been granted a Union leave of absence will, at his request, be paid for any unused vacation time for which he is eligible. This provision applies only to full vacation time or five (5) day fractions thereof.
- (2) An employee who for any reason leaves the payroll of the Company without having taken the vacation for which he is eligible will be paid in lieu of such vacation for any portion for which he has not already been paid.
- (3) Effective February 15, 1996, the Company will permit employees who have not used all of their current year's vacation to carry over the unused portion, up to a maximum of two (2) years' total accrual. Unused vacation hours exceeding two (2) times an employee's annual accrual will be paid to employees semi-annually, at dates to be established by the Company.

f. Pro Rata Vacation

- (1) An employee who is laid off, dies or is drafted into military service under the Selective Service Act, as amended, or who retires under the Company's

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Retirement Income Plan, will be paid prorated vacation pay under the following conditions:

- (a) The employee has accumulated one (1) or more years of seniority
- (b) The employee has worked at least eighty percent (80%) of the regularly scheduled working hours of the plant, from his last vacation eligibility date to his date of termination.

If the employee meets these conditions, he will be paid at the rate of one-twelfth (1/12) of the vacation pay for each month for which he is eligible and the major fraction of the month in which he is terminated for which he has not previously received vacation pay. An employee will be deemed to have worked a major fraction of the month in which he is terminated if he has worked a minimum of eighty-five (85) straight-time hours.

- (2) An employee recalled from layoff or returning from military service under the Selective Service Act, as amended, or returning from Section 900 due to illness will, if not eligible for full vacation, be eligible for pro rata vacation pay on his seniority date falling after such recall or return, computed as in Article X, Section 7.f(1), if he worked at least eighty percent (80%) of the regularly scheduled working hours of the plant for the period from such recall or return to such seniority date.
 - (3) An employee with at least six (6) months seniority but less than one (1) year seniority, who is laid off will be paid pro rata vacation provided the employee has worked at least eighty percent (80%) of the regularly scheduled working hours prior to layoff.
- g. The Parties recognize the right of the Company to shut down the plant, or portions thereof, for purposes of vacation. However, no employee will be forced to take his vacation during this shutdown, with the understanding that the employee will be on vacation without pay if he elects not to take vacation during this shutdown and is not otherwise scheduled. In the event the Company requires a certain classification of work to be performed during a scheduled shutdown, employees performing work in the particular classification will be offered the opportunity to perform the work in seniority order.

Section 8. Voting Time

The Company will grant employees reasonable time off to vote in accordance with the existing Texas state laws. Reasonable time for state and federal elections, when requested, will be one (1) hour for those employees working first shift hours on the election day. Employees requiring reasonable time off to vote will request such time off from their supervisor no later than noon of the day preceding the election date. The day after the election, the employee will submit his stamped gate pass for voting and certification as evidence of having voted, and his supervisor will approve the card provided for voting time. When a state or federal election falls on a premium day, an employee who is scheduled to work a minimum of eight (8) hours beginning no earlier than his normal first shift starting time, will be paid the one (1) hour voting time at the employee's base straight-time rate, plus any applicable cost of living. No employee will

be scheduled for less than eight (8) hours in order to preclude his becoming eligible for voting time pay.

Section 9. Incomplete Day's Work

a.

- (1) Any employee reporting for work who has been working on the previous workday and has not been notified that there will be no work will receive four (4) hours' work at his regular base hourly rate of pay. The posting of a notice on the bulletin boards two (2) hours before the completion of the shift of the affected employee will be sufficient and proper notice. This provision will not apply in case of any stoppage of work, strikes, or slowdown, or in any other case or conditions beyond the control of the Company.
 - (2) An employee who is scheduled to work on a premium payment day and reports as scheduled will be allowed to work a minimum of four (4) hours or receive four (4) hours' pay at the applicable rate for such hours.
- b. Any employee who, after completing work assigned to him during his regularly scheduled shift or extension thereof, is called back to work after he has left the premises and who reports for work after such call at a time that is more than four (4) hours prior to the beginning of his regularly scheduled shift, will receive not less than four (4) hours' work at the rate of pay applicable for such hours worked.
 - c. Employees who are injured in the factory and who are sent home on the day of injury by the Medical Department will be paid for the balance of their scheduled work shift on that day at their regular base hourly rate including shift differential.
 - d. Any employee who is required to work less than eight (8) hours on one of the observed holidays will be paid three (3) times his regular base hourly wage rate including night shift differential if it is applicable, plus straight-time pay for the difference between eight (8) hours and those hours for which the premium rate is paid.

Section 10. Rate of Pay

All pay for time not worked will be paid at the straight-time hourly base rate, including shift differential, but excluding overtime or premium compensation except as modified by Article X, Section 9.a(2). In the settlement of grievances involving overtime, improper recall or improper discharge, the employee will, for the hours for which he is paid, receive the rate he would have received had he worked such hours.

ARTICLE XI LEAVE OF ABSENCE

Section 1. Personal

- a. A leave of absence not exceeding ninety (90) days may be granted by the Company to any employee for good and sufficient cause upon the written request of the employee. Also, the Company may grant a leave of absence to an employee who has been appointed or elected to a state or federal office. If a leave of absence is granted, the seniority of the employee will accumulate during the period of the leave of absence. While on a personal leave of absence an employee will not be entitled to health care benefits unless, prior to the leave, the employee makes arrangements with the benefits office to continue benefits at his own cost during the leave of absence.
- b. An employee who has been granted such leave of absence will be considered as having quit without notice and will be terminated from employment by the Company if, while on his leave of absence, he engages in or applies for other employment without the consent of the Company. If an employee on such leave fails to report for work on his first regular shift after the termination of his leave, he will be subject to discharge.

Section 2. Section 900

An employee absent due to illness for more than five (5) working days will be placed in Section 900, an inactive unit, on his sixth normal working day. To remain in Section 900, an employee may be required to submit to the Company satisfactory evidence of illness. The maximum time limits for Section 900 eligibility are as follows:

<u>SERVICE</u>	<u>CONTINUOUS TIME IN SECTION 900</u>
90 days to 3 years	1 year
3 years to 5 years	1½ years
5 years or more	2 years

OR

<u>Service</u>	<u>CUMULATIVE TIME in SECTION 900</u>
90 Days to 5 Years	18 Months
5 Years or More	30 Months in any Five (5) Year Period

The cumulative time limits set forth above will apply all aggregate time in section 900 totaling more than thirty (30) days for the time period from January 1, 2000 through contract ratification date.

When an employee reaches either one of the time limits as outlined above (cumulative or continuous) his employment will be terminated.

If the employee was in section 900 due to an occupational injury at the time of termination, he will be provided up to twelve (12) months after his termination date to submit satisfactory medical evidence showing he is able to return to work providing he successfully completes a company physical exam including substance abuse testing. Upon returning to work such employee shall be reinstated with seniority.

Section 3. Military and Peace Corps

- a. So long as the Selective Service Act of 1948, as amended, is in effect, an employee who leaves or has left the employment of the Company to enter the armed forces of the United States will be reemployed under the terms of that law, notwithstanding any provisions of this contract to the contrary. The seniority of such employee will accumulate during the time spent in the armed forces of the United States.
- b. Upon written request by an employee who is accepted for service with the Peace Corps, foreign or domestic, the provisions of Article XI, Section 3.a, will apply for a period of up to two (2) years with respect to seniority, vacation and reemployment.

Section 4. Union

An employee elected or selected to a full-time position in the United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, but excluding all national and international Unions other than the UAW, that takes him from his employment with the Company, will, upon written request to the Company, receive a leave of absence for one (1) year. The employee will receive annual renewals upon written application to the Vice President of Human Resources.

Section 5. Leaves Other Than Section 900

- a. If an employee who has been given such leave of absence reports for work on his first regular workday after he terminates his leave, he will be reemployed in accordance with his seniority on the same general type of work that he did immediately prior to his leave. His wage rate will be the rate existing in the plant at the time of his return on the job for which he is reemployed. Seniority will accumulate during such leave of absence.
- b. If an employee is physically unable to return to work, he will be placed in Section 900, provided he presents proof of his disability.
- c. Any employee on leave, as provided in this article, may, upon seven (7) days' notice to the Company, terminate his leave.

Section 6. Family and Medical Leave

Employees who are entitled to a leave of absence under the Family and Medical Leave Act (FMLA) of 1993 may take such leave in accordance with the provisions of Letter of Agreement #20

ARTICLE XII HEALTH CARE

Section 1. Agreement

A Health Care Plan, Flexible Spending Account Plan, Disability Plan, and Life Insurance Plan have been agreed to by the Parties. The provisions of each plan will be applicable to employees represented by the Union for the term of each plan and in accordance with the provisions thereof.

Section 2. New Provisions - Health Care Plan for Active Employees

It being expressly understood that the Health Care Plan agreed to under Article XII, Section 1 will govern, the following provisions of the Health Care Plan are agreed to:

- a. Represented employees will be automatically covered by the health care benefit plan negotiated between the Company and the Union, hereafter referred to as "Health Care Plan", unless HMO coverage is elected. This program provides "in-network" or "out-of-network" benefits for those employees who live within the network service area.
 - (1) Employees residing outside of the network service area have "out-of-area" coverage. Employees choosing to use "in-network" coverage have hospitalization covered at one hundred percent (100%), will pay a ten dollar (\$10) co-pay for office visits and a seven dollar (\$7) co-pay per prescription when using network providers.
 - (2) Employees choosing to use "out-of-network" coverage will be subject to an individual deductible of one percent (1%) of annualized base pay (three percent (3%) family maximum). The Health Care Plan then pays eighty percent (80%) (including hospitalization) and the employee pays twenty percent (20%) of out-of-network covered charges until three percent (3%) of annualized base pay is reached (two thousand dollar (\$2,000) minimum). Out-of-network benefits have a lifetime maximum benefit of three hundred thousand dollars (\$300,000) per covered person.
 - (3) Employees living outside the network service area will have "out-of-area" coverage, with hospitalization covered at one hundred percent (100%), and other charges subject to an annual deductible of one percent (1%) of annualized base pay per family. The Health Care Plan then pays eighty percent (80%) of covered charges and the employee pays twenty percent (20%) with a maximum of three percent (3%) out-of-pocket for the family. However, the employee may make an annual election to participate in the Health Care Plan network.
 - (4) All active employees in the Health Care Plan or an HMO, regardless of where they reside, will be covered by the psychiatric and substance abuse provider network in Value Options.

- (5) A map of the service area and an explanation of the benefits have been agreed to and will be provided to represented employees with other enrollment information.
- b. For the life of this Agreement, represented employees will pay twenty dollars (\$20) per week to provide health care coverage for enrolled dependents under the Health Care Plan or an HMO. These contributions may be made on a pretax basis in accordance with Section 125 of the Internal Revenue Service Code. To comply with Section 125, an employee may only add dependents within sixty (60) days of their initial eligibility or delete dependents within sixty (60) days of their ceasing to be eligible, or within sixty (60) days of a change in family status as defined in the health care summary plan description. Should an employee not take action to delete dependent coverage during this sixty (60) day period, dependent health care deductions will stop as soon as administratively possible after notification and no refunds will be paid. Dependents may be added after sixty (60) days of the event with evidence of insurability. Employee coverage will continue to be provided at no cost to represented employees.
- c. Spouses of employees that are employed at another company that provides a health care program for their employees will not be allowed to be a dependent under the Health Care Plan or any Company offered HMO unless they have elected health care through their employer.
- d. HMOs - HMO Blue Texas, and Aetna US Healthcare will continue to be offered as health care alternatives. All HMO benefits will remain in place for 2000 (or longer as modified below) as long as the HMO continues to offer those benefits. Effective January 1, 1993, psychiatric and substance abuse benefits will be eliminated from HMO coverage. At such time as HMO Blue Texas premiums charged to the Company are in excess of the Company cost under the Health Care Plan, all HMO plans offered to represented employees will be revised to be identical to the HMO plans offered to other employee groups on March 1, 1992, as long as the HMO continues to offer those benefits. Should the premiums for any HMO plan, as revised, continue to exceed the Company's cost under the Health Care Plan, employees electing that HMO will pay the additional cost on a weekly basis in addition to the dependent contribution. The additional factor of age and sex of HMO participants will be included in the calculation for Company contributions to HMO premiums. Should total eligible employee participation in any HMO drop below five percent (5%) that HMO will not be offered at future enrollments. The Company will advise the UAW Benefits Coordinator at such time as it is apparent that this will take effect during the next open enrollment period.
- e. Dental Plan Changes Effective October 1, 2000
- (1) Dental prescriptions will be covered per Section 7.
 - (2) Sealant will be covered at one hundred percent (100%) of the reasonable charge for dependents under age nineteen (19).
 - (3) \$2,000 annual maximum
- f. Vision and Hearing Programs
- (1) The Company will develop local "preferred provider programs" separately for both eyeglasses and hearing aids. The combined cost to the company will not

exceed five dollars (\$5) per employee per month beginning January 4, 1993, for the life of this Agreement.

Section 3. New Provisions - Health Care Benefits for Future Retirees or Survivors Effective for Retirements on or after January 1, 1993.

- a. General Information
- (1) Retirees with less than ten (10) years of credited service will not be eligible for retiree health care for themselves, dependents or survivors.
 - (2) Should the retiree or dependent/survivor elect not to pay any cost in excess of the applicable Company contributions, the retiree and dependent/survivor of such retiree will no longer qualify for Company health care or HMO coverage. In such instances, the health care may be reinstated one (1) time with satisfactory evidence of insurability.
 - (3) Retirees and dependents may continue HMO participation after retirement until they are age sixty-five (65) (eligible for Medicare), but in the event the retiree changes to the Company health care plan, the retiree may not elect HMO coverage at a later date. The Company will contribute the portion of the HMO premium cost which is equal to but not greater than the applicable company contribution amount if the retiree had elected the Company plan.
 - (4) The health care coverage for a retiree or survivor and the eligible spouse will be based on the age of the eligible individual. The benefits will be different if both are not under or over age 65. Those individuals under age sixty-five (65) will have benefits as described in Article XII, Section 3.b. Those individuals over age sixty-five (65) will have benefits as described in Article XII, Section 3.c.
 - (5) Dental benefits as well as the new vision and hearing programs provided to active employees do not apply to retirees.
- b. Health Care Benefits Before Age sixty-five (65) (non-Medicare eligible)
- (1) Retirees or dependents/survivors who qualify for retiree health care will be entitled to Company health care contributions calculated on a percent of cost basis using the following table:

<u>Years of Credited Service</u>	<u>Retiree</u>	<u>Dependent or Survivor</u>
30	100%	75%
29	97%	75%
28	94%	75%
27	91%	75%
26	88%	75%
25	85%	75%
24	82%	75%
23	79%	75%
22	76%	75%
21	73%	73%
20	70%	70%

19	67%	67%
18	64%	64%
17	61%	61%
16	58%	58%
15	55%	55%
14	52%	52%
13	49%	49%
12	46%	46%
11	43%	43%
10	40%	40%

For disability retirements, service will be projected from the retirement date to age sixty-five (65) to determine the percent of contribution under this schedule.

- (2) The annual Company contribution maximum is fifty-four hundred dollars (\$5400).
 - (3) The Company contribution percent in Article XII, Section 3.b(1) will be applied to the lesser of the actual cost of the Company contribution maximum in Article XII, Section 3.b(2) when calculating the actual Company contribution for the retiree or dependent/survivor.
 - (4) The Company health care plan for retirees, dependents or survivors under age sixty-five (65) (non-Medicare eligible) will be the Health Care Plan in effect for active employees except:
 - (a) The prescription co-payment will be five dollars (\$5) and may be increased annually to equal ten percent (10%) of the actual prescription cost experienced for the Health Care Plan retiree group in the prior year. (Automatic substitution of generic will be provided.)
 - (b) There will be no psychiatric or substance abuse benefits.
 - (c) The Health Care Plan out-of-area physician co-payment will be seventy percent (70%) / thirty percent (30%).
 - (5) In addition, the Company will provide a mail order option for maintenance drugs which allows a ninety (90) day supply (automatic substitution of generic will be provided) with a ten dollar (\$10) co-payment that may be increased annually to equal ten percent (10%) of the actual cost of the mail order drugs paid by the total Health Care Plan retiree group in the prior year.
- c. Health Care Benefits After Age 65 (Medicare eligible)
- (1) A retiree, dependent of a retiree or dependent/survivor of a retiree eligible for the Company health care plan will, upon Medicare eligibility, be eligible only for benefits described in this subsection c. and not the benefits outlined in Article XII, Section 3.b. or HMO plan in effect prior to Medicare eligibility.
 - (2) A Medicare Supplement Plan has been agreed to. The highlights of the plan are as follows:
 - (a) One hundred dollar (\$100) deductible per person
 - (b) Comprehensive eighty percent (80%) of covered expenses not paid by Medicare
 - (c) Ten thousand dollar (\$10,000) lifetime per person maximum with an annual restoration of one thousand dollars (\$1,000)

- (d) Prescription drug plan with five dollar (\$5) co-payment indexed. (Automatic substitution of generic will be provided.)
 - (e) Mail order drug plan with ten dollar (\$10) co-payment indexed to plan costs for post sixty-five (65) group. (Automatic substitution of generic will be provided.)
- (3) A Catastrophic Plan has also been agreed to. The highlights of the plan are as follows:
 - (a) After Medicare has paid, the Medicare Supplement Plan has paid, and an individual's out-of-pocket expenses (excluding drugs) exceed thirty-five hundred dollars (\$3,500) in a calendar year (indexed to plan costs for post sixty-five (65) group), the Catastrophic Plan will pay one hundred percent (100%) of covered expenses for the remainder of the calendar year.
 - (b) Covered expenses equal Medicare approved services and charges, ignoring Medicare inside limits.
 - (c) Drugs are not covered.
- d. Certain Future Retirees
- (1) Certain future retirees will retain benefits in place of those previously outlined. This group includes employees who on January 1, 1993, were age sixty-two (62) with ten (10) years credited service, age sixty (60) with twenty (20) years credited service, or age fifty-five (55) with eighty-five (85) points. Upon retirement and prior to age sixty-five (65), this group will retain the Health Care Plan coverage identical to active employees as described in Article XII, Section 2.a., with the ten dollar (\$10) mail order drug plan outlined in Article XII, Section 3.c(2), the service related Company contribution schedule described in Article XII, Section 3.b(1) will not apply, and there will be no maximum Company contribution as described in Article XII, Section 3.b(2). After age sixty-five (65), they will return to the pre-Health Care Plan plan. This is the plan as in effect and administered by John Hancock immediately prior to January 1, 1993. This group of retirees will qualify for the Medicare premium allowance outlined in Article XII, Section 3.d(3).
 - (2) Upon retirement and prior to age sixty-five (65), future retirees who on January 1, 1993, were active employees with age and credited service totaling seventy-five (75) points or more (age and credited service calculated to the nearest month, added together and rounded up to the next whole number) will have the same plan as described in Article XII, Section 3.b. However, the service-related contribution schedule described in Article XII, Section 3.b(1) will not apply. After age sixty-five (65), they will have the program described in Article XII, Section 3.c. In addition, this group of retirees will qualify for the Medicare premium allowance outlined in Article XII, Section 3.d(3).
 - (3) Employees identified in Article XII, Section 3.d(1) and (2) will receive a premium allowance toward Part B of Medicare in the amount of twenty-eight dollars and eighty cents (\$28.80) per month. To receive this allowance, retirees and their dependents who are eligible for the Company's health care coverage must satisfactorily prove to the Company that they are enrolled in Part B of Medicare.

Section 4. New Provisions - Disability Plan

It being expressly understood that the Disability Plan agreed to under Article XII, Section 1 will govern, the provisions thereof will continue except where modified as follows:

- a. For disabilities which occur on or after each of the following effective dates, weekly short-term disability benefits will be payable in accordance with the following schedule:

Labor Grade	Effective October 1, 2000
L	\$410
1	394
2	378
3	363
4	347
5	332
6	317
7	302
8, 9 & 10	286

The weekly benefit eligibility is determined by the employee's labor grade on the last day worked immediately preceding the disability. The benefits described above will be reduced by any primary benefit payable to the employee from workers' compensation and any initial primary amounts payable from Social Security.

- b. For work-related injuries which occur on or after October 2, 2000, the following will apply.
- (1) If the employee chooses to participate in the company Occupational Health Care program and agrees to remain under the care of the Company approved occupational disability physician network and the claim is found compensable under workers' compensation.
- (a) The employee will receive, up to a maximum of sixty six (66) work days within a rolling 12 month period, payment of an amount equal to one hundred percent (100%) of base pay less taxes starting from the reported date of injury. When the employee's claim has been given a maximum medical improvement (MMI) rating the employee will be ineligible to receive any additional funds under the OHC program. However, an employee reaching MMI may be eligible for benefits under the Company provided disability plan.
- (b) The OHC payment will come from two (2) sources: Company supplemental pay and the workers' compensation benefit paid by the carrier.

- (c) The payment will be calculated so the employee will not experience a decrease in net take-home pay by taking into consideration that the workers' compensation payment is not taxable.
- (2) If the employee does not choose to remain under the care of the Company-approved occupational disability physician network, the employee will be ineligible for the sixty six (66) work days of supplementary payments and any of these payments advanced to the employee will result in an overpayment that is immediately due to the company.
- (3) Should the employee remain disabled and absent from work for a total of sixty six (66) work days within a rolling 12 month period, the supplemental payments shall cease and the weekly disability benefit shall be limited to the workers' compensation payment applicable under state workers' compensation law.
- (4) If an employee returns to work and has not exhausted the sixty six (66) work day limit in a rolling twelve (12) month period, a subsequent absence (even if related to the prior absence) is treated as a new absence and the employee again has the option of whether to be under the care of the Company-approved occupational disability physician network, provided the change of treating physician is approved by the Texas Workers' Compensation Commission in accordance with current TWCC rules and regulations or provisions under section 4.b.(2) as outlined above.
- (5) As long as the employee is complying with the treatment plan established by the Company-approved occupational disability physician network, the employee is eligible for supplemental pay for the relevant injury, in accordance with Section 4.b (1). If the employee does not follow the treatment plan, the employee is considered noncompliant and owes the company any supplemental pay the employee has received.
- (6) (Insert from Letter of agreement dated 7/8/93)
In those cases where a second or third shift employee qualifies for one hundred percent (100%) pay and physical therapy is recommended by the approved occupational disability physician network, an attempt will be made to schedule the physical therapy at the beginning of the shift for second shift employees and at the end of the shift for third shift employees. If such scheduling is not practical, the physical therapy will be scheduled outside the shift and a corresponding amount of time off with pay will be granted from the employee's shift. In no case will payments caused by physical therapy be at a premium rate.

Section 5. New Provisions - Life Insurance Plan

It being expressly understood that the Life Insurance Plan agreed to under Article XII, Section 1 will govern, the provisions thereof will continue except where modified as follows:

- a. The current accidental death benefit while traveling on company business will increase from twenty-five thousand dollars (\$25,000) to one hundred thousand dollars (\$100,000) for deaths on or after March 1, 1992.
- b. Employees on an approved leave of absence or with life insurance continuation retain the amount of life insurance in effect on their last day at work. For all other employees, the assigned labor grade at the time of death will determine the amount of entitlement. For deaths which occur on or after the following dates, life insurance payments will be either a basic amount if death is by natural causes or two (2) times the basic amount if death is by accidental causes.
- (1) For deaths of employees who were actively at work on or after October 1, 2000 the following schedule will apply:

Labor Grade	Basic Amount	or	Accidental Death Amount
L	\$30,500		\$61,000
1	29,500		59,000
2	28,500		57,000
3	27,500		55,000
4	26,500		53,000
5	25,500		51,000
6	24,500		49,000
7	23,500		47,000
8	22,500		45,000
9 & 10	21,500		43,000

c. **Dependent Life Insurance**

Effective March 2, 1992, optional dependent life insurance coverage will continue to be available through payroll deductions of forty-eight cents (\$.48) per week for the following levels of coverage:

Spouse:	\$7,500
Child(ren) over 6 months of age:	3,000
Child(ren) five birth under 6 months of age:	500

These group rates are subject to periodic review by the insurance company and may be adjusted during the life of this Agreement based on claim experience. Definitions of dependents are the same as the health care definitions, provided that employees' spouses who are also employees of the Company may be covered by this Dependent Life Insurance until such time as the insurance company elects not to provide the dependent coverage due to a conflict of state insurance laws. Coverage will remain in effect until the conflict is disclosed to the employee in writing by the insurance company and premiums are discontinued.

d. **Optional Employee Life Insurance**

Effective June 1, 1992, the Company will offer an optional employee term life insurance program whereby employees may purchase additional life insurance for themselves in five thousand dollar (\$5,000) increments ranging from five thousand dollars (\$5,000) to fifty thousand dollars (\$50,000). The Company will secure bids

from both John Hancock and Prudential for an insured program with a rate guaranteed for five (5) years. The bids received by the Company from both carriers will be shared with the UAW and it is anticipated that the most attractive bid will be mutually agreed to; however, should a dispute arise, the UAW will have the right to select the carrier assuming both carriers' administrative requirements are reasonable. Should our enrollment be low and not meet carrier-imposed minimum participation requirements, the viability of the program will be revisited. The cost for payroll deduction administration will be borne by the Company.

Section 6. Subject Next to Negotiations

The provisions of the Health Care Plan, Flexible Spending Account, Disability Plan, and Life Insurance Plan will be subject next to negotiations upon expiration of this Agreement.

Section 7. New Provisions - Prescription Drugs

Effective October 1, 2000, bargaining unit employees may purchase 90-day supplies of maintenance medication through the Caremark mail order prescription drug program. The employee copayment is \$5.

Employees may also obtain drug prescriptions at Caremark approved retail Pharmacies. The available supply is limited to 30 days rather than 90 days. The employee copayment is \$7. If an employee uses a pharmacy other than a participating pharmacy, out-of-network (or out-of-area, if applicable) deductibles and copayments will apply and reimbursement will be based on the cost of available generic substitutes.

Section 8. Disability Retirement

Effective January 1, 1996, for employees with 75 or more points, the definition of disability shall be defined as a physical or mental condition which totally and presumably permanently prevents a participant from engaging in his/her own job for the Company.

To be eligible for this provision, employees must be disabled for 52 weeks or longer and must not have been previously disposed by the Retirement Committee.

For employees with less than 75 points, the definition of "disability" shall remain unchanged.

ARTICLE XIII
RETIREMENT PLANS

Section 1. Agreement

A Retirement Plan and a Savings and Investment Plan have been agreed to by the Parties. The provisions of these plans will be applicable to employees represented by the Union for the term of such plans and in accordance with the provisions thereof.

Section 2. New Provisions - Retirement Plan

It being expressly understood that the Retirement Plan agreed to under Article XIII, Section 1 will govern, the provisions thereof will continue except where modified as follows:

- a. Basic Pension Rates
 - (1) An employee retiring on or after October 1, 2000, will receive forty seven (\$47) per month for each year of credited service.
- b. Retiree Bonus
 - (1) Retirees who retired directly from the bargaining unit or their surviving spouses who are in pay status, and who are receiving retirement benefits on any September 1 of the years 2000, 2001, 2002, 2003, and 2004 will receive five hundred dollars (\$500) every September for all applicable years they remain in pay status.
- c. Early Retirement Supplement.

Effective with retirements on or after October 1, 2000, the monthly Supplemental Early Retirement Benefits paid under the terms of the Retirement Plan will increase to five hundred fifty dollars (\$550) per month, continuing until the participant is eligible for 80% Social Security benefit.

Section 3. Transition and Bridge Benefits

Effective for all deaths on or after October 1, 2000, the Transition Survivor Income Benefit shall be increased from one hundred seventy five dollars (\$175) to three hundred fifty dollars (\$350) per month, and the Bridge Survivor Income benefit shall be increased from three hundred dollars (\$300) to four hundred seventy-five dollars (\$475) per month.

Section 4. Subject Next to Negotiations

The provisions of the Retirement Plan and the Savings and Investment Plan will be subject next to negotiations upon expiration of this Agreement.

ARTICLE XIV
STRIKES, SLOWDOWNS,
STOPPAGES AND LOCKOUTS

Section 1. No Strike

- a. During the life of this Agreement, the Union will not authorize, cause, engage in, sanction, assist or permit its members to cause, nor will any member of the Union take part in any slowdown, work stoppage or strike, or any curtailment of work or restriction of production or interference with production of the Company. The Union will not cause or permit its members to cause, nor will any member of the Union take part in any slowdown, work stoppage or strike of the Company's operations, or picket any of the Company's plants or premises.
- b. In the event that any member or members of the local Union or the international Union should call, engage in, sanction or assist in any unauthorized slowdown, work stoppage or strike against the Company, or should refuse to perform services duly assigned when directed to do so by the Company, the Company agrees that it will not file or prosecute any action for damages arising out of said unauthorized slowdown, work stoppage, strike or refusal to perform services, provided that the local Union, its officers and representatives comply with the following provisions:
 - (1) That each of them jointly and severally will immediately, and in no event later than twenty-four (24) hours, disavow and refuse to recognize any picket line or lines established as a result of said unauthorized slowdown, work stoppage or strike against the Company or refusal to perform services; that each of them will instruct their members by posting written notices throughout the plant, or by newspaper ads or other communication media not to respect or recognize any said picket line or lines; and in addition, each will do everything within his respective powers to secure the disestablishment and disbanding of any said picket line or lines.
 - (2) That each of them jointly and severally will immediately take or cause to be taken all affirmative action to demand, cause and require each and every member to perform the terms and conditions of this Agreement.
 - (3) If any employee fails to return to work immediately or refuses to perform services duly assigned when directed to do so by the Company after action is taken by the Union as set forth in Article XIV, Section 1.b(1) and (2), the Union agrees that the Company may take whatever disciplinary action it deems appropriate, including discharge, and that the degree of such disciplinary action will not be reviewable through the grievance and arbitration procedure provided for in this Agreement.
 - (4) Nothing in this article will preclude any right to which the Company previously was entitled to seek legal or other redress of any individual who has caused damage to, or injury to, or loss of Company property, nor does the Company cede any rights in this regard to which it may be entitled by future legislation.

Section 2. No Lockout

During the term of this Agreement, the Company will not cause, permit or engage in any lockout of its employees.

ARTICLE XV
CHECKOFF AGREEMENT

Section 1. Authorization for Union Dues

- a. The Company agrees to deduct Union dues in the amount of two (2) hours of the employee's hourly base rate, plus two (2) hours of COLA, plus any other amount that may be established by the Union each month from the earnings of an employee who authorizes such deductions by signing the authorization form provided for this purpose. Such deductions will be made in accordance with the provisions of the authorization form.
- b. The Company's obligation to make such deductions will terminate automatically upon the termination of the employee or upon his transfer to a plant, union or job not covered by this Agreement. Employees who are transferred out of the collective bargaining unit into supervisory positions will have, in addition to their normal withdrawal period, thirty (30) days following their transfer to revoke or withdraw their checkoff authorization by so notifying the Company and the Union by letter. However, in compliance with the 1985 NLRB ruling, the Company will not resume deduction of Union dues on an employee rehired without seniority until such time a new authorization card is signed by the employee.
Deductions will be resumed, however, under the following conditions:
 - (1) If an employee is recalled or rehired with seniority, provided such employee's authorization has not been revoked by him during a revocation or withdrawal period; provided also, that the resumed deductions will begin with the employee's earnings for the first payroll week of the next calendar month following such recall or rehire.
 - (2) If a former collective bargaining unit employee is transferred back to a job covered by this Agreement, provided that such employee's authorization has not been revoked by him during a revocation or withdrawal period that occurred while he was not in the collective bargaining unit; provided also, that the resumed deductions will begin with the employee's earnings for the first payroll week of the next calendar month following such transfer.
 - (3) In the event of a month beginning with a split week, the date of the check compensating for said work will constitute the eligibility for a Union dues deduction in current month.
- c. On dues week, represented employees who have authorized a dues checkoff will have dues deducted, based on deduction priority, if their earnings during the week are sufficient to permit the deduction. It is not required that the check be for forty (40) or more hours if the earnings are sufficient to permit the deduction.
- d. The Union agrees that it will indemnify and save the Company harm from any and all liability, claim, responsibility, damage or suit that may arise out of any action taken by the Company in accordance with the terms of this section or the terms of this article in reliance upon the authorization mentioned herein.

Section 2. Application of Checkoff

- a. The authorization form for checkoff of dues to be used by employees for the purpose of authorizing the Company to deduct monthly Union dues from their earnings and to assign such sums to the Union is attached and made a part of this Agreement.
- b. The Union will assume full responsibility for the distribution and collection of such authorization cards and guarantees that such distribution and collection will not take place during working hours on Company premises.
- c. Each authorization card will be signed by the employee who authorized the deduction together with a witness to his signing and the date of signing.
- d. All authorization for cards will be submitted by the Union to the Vice President of Human Resources or his designated representative on or before the Friday before the week in which they are to become effective. Such cards will be transmitted to the Vice President of Human Resources or his designated representative by a letter of transmittal, signed by an authorized officer of the Union and listing thereon the name, unit, and employee number.
- e. If an employee's earnings for the first payroll week of a calendar month are insufficient to permit the full deduction, then the deduction will be taken from the employee's earnings in the first, second, third, or fourth payroll weeks in which his earnings are sufficient. The Union will be provided with weekly catch-up reports and a check representing said deductions.
- f. Monthly union dues will be deducted from vacation checks.
- g. A check in the total amount of the sum deducted on account of dues will be drawn each month to the order of Local 848, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and will be hand-delivered to the financial secretary thereof.
- h. The Company will furnish annually to each employee a statement of the total Union dues deducted.
- i. The Company will forward to the Union each month in employee number order the following information:
 - (1) The names and employee numbers of employees who authorized deduction of Union dues and from whose wages such deductions have been made during the current month.
 - (2) The names and employee numbers of employees who authorized the deduction of Union dues and from whose wages no such deduction was made because of insufficient earnings during the pay period for which the deduction was authorized.
 - (3) A list of all employees, including base rate and COLA, if any, identifying those employees who have not submitted to the Company an authorization for checkoff of dues.
 - (4) The names and employee numbers of employees who authorized such deductions but whose authorization became ineffective pursuant to Article XV, Section 1.b, by reason of the termination of their employment or their transfer or layoff.
- j. The Company will furnish the Union monthly an alphabetical list of all employees and their employee numbers identifying Union members.

- k. The monthly Union dues provided for herein will be deducted from the authorizing employee's earnings for the first payroll week of the calendar month. However, if an employee's earnings for the first payroll week of a calendar month are insufficient to permit the full deduction, then the deduction will be taken from the employee's earnings in the first of the second, third or fourth payroll weeks in which his earnings are sufficient. Monthly Union dues deductions will not exceed the dues amount as set by the Union. Further, the Company will not be required to make a double deduction from an employee's subsequent monthly earnings if his weekly earnings in each of his preceding month's first four (4) payroll weeks were insufficient to permit a deduction.
- l. The maximum monthly deduction provided for herein is the amount of the Union dues for one (1) calendar month, except in the case of the resumption of deductions from the earnings of an employee recalled, rehired with seniority or transferred from a non-collective bargaining unit job into the bargaining unit, as provided for in Article XIII, Section 8.b of the Agreement dated October 1, 1962. The maximum monthly deductions from such an employee's earnings for the first calendar month subsequent to recall, rehired or transfer are:
 - (1) The monthly Union dues for the first calendar month; and
 - (2) The monthly Union dues for the month preceding the first calendar month.
 If the earnings of such recalled, rehired or transferred employees are subjected to monthly deductions as described, the deductions will be made in the first four (4) payroll weeks of the calendar month in the following manner: one (1) deduction will be taken from the employee's earnings for the first payroll week in which his earnings are sufficient, and the other deductions will be taken from the next payroll week in which his earnings are sufficient.
- m. The interpretation and application of "date of delivery" as it appears in the authorization form referenced in Article XV, Section 1, and which is shown in Article XV, Section 3, will be:

"Date of Delivery" -- the date of delivery will be the date the Company actually receives the authorization for checkoff of Union dues, as evidenced by the date and time stamped on each card by a date and time-recording machine.
- n. The Company will furnish the Union, during regular business hours Monday through Friday, access to union dues history data via on-line computer terminal located in the Local 848 business office.
- o. The Company will furnish the Union, during regular business hours Monday through Friday, access to Union members' employment history data via on-line computer terminal located in the Local 848 business office.
- p. The Company will provide the Union with a weekly computer file of any regular union dues or catchup dues it may have taken in that week's payroll processing.
- q. The Company will provide the Union monthly with a clock number listing of any employees that had regular union dues taken on dues night and did not subsequently work forty (40) hours during the dues period.
- r. The Company's agreement to furnish to the Union certain dues information contained above will not automatically cease on any termination of this Agreement, but will terminate ninety (90) days after notice to the Union by certified mail from the date as set forth under Article XX, Section 1.b.

Section 3. Copy of Authorization Card

REV-2-67 SPECIAL OFFICIAL APPLICATION FOR MEMBERSHIP Printed in U.S.A.
 INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW) DETROIT, MICHIGAN 48214

NAME: _____ CLOCK NO.: _____ SEX: _____
 ADDRESS: _____ CITY: _____ ZIP CODE: _____
 UNIT: _____ BIRTH-DATE: _____ SOCIAL SECURITY NO.: _____

I hereby designate, select and empower the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), its agents or representatives, to act for me in the exclusive representation for the purposes of collective bargaining in respect to wages, hours, hours of employment or other conditions of employment, and to enter into contracts with my employer covering all such matters including contracts regarding the revocation of my membership in said Union as a condition of my employment or continued employment, and covering requiring the employer to conduct, conduct, or assist in conducting, some or all of the following: dues, fees, assessments, or other contributions payable to said Union; and I hereby waive every selection or designation which in any manner may hereafter have been made by me, or any other representatives for any such purposes.

I hereby irrevocably designate, authorize and empower the said Union exclusively to appear and act for me and in my behalf before any board, court committee or other tribunal in any matter affecting my status as an employee, or as a member of the said Union, and exclusively to act as my agent to represent and bind me in the preservation, prosecution, adjustment and settlement of all grievances, complaints or disputes of any kind or character arising out of the employment relationship so fully and to all intents and purposes as I might or would do it personally present.

I pledge my honor to faithfully observe the Constitution and Laws of the Union and the Constitution of the United States and the Commission of Canada in the case may be; to comply with all the rules and regulations of the government thereof; not to divulge or make known any private proceedings of the Union; to faithfully perform all the duties assigned to me to the best of my ability and skill; to do respect myself at all times as not being reproach upon my Union, and at all times to bear true and faithful allegiance to the International Union, "Union Automobile, Aerospace and Agricultural Implement Workers of America (UAW).

(Applicant's signature) _____
 (Witness's signature) _____ Clerk No.: _____

AUTHORIZATION FOR CHECK-OFF OF DUES

TO: Northrop Grumman Corp., at Dallas, Texas; Lockheed Martin Veitch Systems of Grand Prairie, Texas; S-Systems of Garland, Texas; and any other division or future divisions covered by mutual agreement between the parties or added by the U.A.W. to be covered by the certification listed in Article III, Section 1 of the agreement between the parties.

NAME: _____
 CLOCK: _____ UNIT: _____

I hereby assign to Local 848, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, from any wages earned or to be earned by me as your employee (in present or future employment by you) an amount not to exceed \$15.00 as an estimate that and no amount equal to my Union dues at the same rate established by the Local Union 1 each time you deduct such amount from my pay (monthly) and to remit same to the Union.

This assignment and authorization shall be irrevocable notwithstanding any resignation by me of membership in the Union for the period of one (1) year from the date of delivery to you, or until the termination of the collective agreement whichever occurs sooner; and I agree that notwithstanding any resignation by me of membership in the Union, this assignment and authorization shall be automatically renewed, and shall be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable collective agreement between the Company and the Union, whichever shall be shorter, unless written notice is given by me to the Company and the Union, not more than twenty (20) days before the expiration of each period of one (1) year, and of or each applicable collective agreement between the Company and the Union whichever occurs sooner.

This authorization is made pursuant to the provisions of Section 302(a) of the Labor Management Relations Act of 1947 and otherwise.

WITNESS'S SIGNATURE _____ APPLICANT'S SIGNATURE _____
 DATE _____

**ARTICLE XVI
OFF-SITE OPERATIONS**

Section 1. Definition of Off-Site

"Off-site" will mean the performance of work by covered employees at places geographically located at such distances from the Company's Grand Prairie, Texas, facilities that the distance requires an employee to obtain lodging other than at his established residence. It will also contemplate the eventual return of such employees back to the Company's Grand Prairie, Texas, operations. "Off-site" will not include a new establishment set up by the Company or the relocated operations of a major segment of the Company's present organization (such as one of its divisions) regardless of where the new establishment or the relocated division may be geographically situated.

Section 2. Application of the Agreement

- a. The Company and the Union recognize that these and other conditions on the Company's off-site operations do not make it possible to apply all parts and sections of this Agreement to employees assigned to off-site locations. Therefore, it is agreed that the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and its Local-848, will represent collective bargaining unit employees assigned to off-site operations on:

- (1) Wages (basic rate structure)
- (2) Discipline and discharge
- (3) Working conditions

- b. However, the Company agrees to apply to covered employees assigned to its off-site operations all articles, sections, and other parts of the Agreement between the Parties except the following:

- Article III - Recognition
- Article IV - Representation, Duties and Responsibilities
- Article V - Grievance, Arbitration and Discharge Procedures
- Article VI - Work Hours, Overtime and Premium Payments
Sections 1.e, 1.f, and 7
- Article VII - Seniority
Sections 1, 2, 3, and 14
- Article IX - Job Classifications, Families and Labor Grades
- Article X - Hours Not Worked, Incomplete Days Worked
Sections 4 and 8
- Article XVII - Subcontracting and Major Maintenance of
Facilities Construction Work Sections 1, 3, 5 and 7
- Article XIX - General Provisions

- c. When covered employees are promoted at an off-site location, Section 5 of Article VII will be applied in light of off-site conditions and requirements, but only to employees assigned to the specific off-site location where the promotion is made and at the time it is made.
- d. No labor grade inequities will exist among covered employees who are performing equal work at an off-site location. All such employees will be assigned to the labor grade commensurate with the work being performed.

Section 3. Rules of Cognizant Agency

Off-site locations are normally under the cognizance of a military or a government civilian agency charged with an interest in the development or modification of a Company product at its locations. Because of this, employees assigned to such off-site locations are subject to rules and regulations of the agency having cognizance over the location and frequently must work at times and places and under conditions the cognizant agency dictates or controls.

Section 4. Lists Required

List of those employees going off-site and those returning from off-site locations will be given to the Chairperson of the plant grievance committee.

Section 5. Grievance Procedure

- a. An employee at an off-site operation who feels that he has a complaint involving one (1) of the three (3) categories given in Article XVI, Section 2.a, with respect to an application or interpretation of the Agreement, excluding the articles and sections listed in Article XVI, Section 2.b, or with respect to the provisions of this article, will write a letter of complaint to the Chairman of the Plant Grievance Committee. The Chairman of the plant Grievance Committee will investigate the complaint, and if he believes the complain has merit, he will introduce the complaint as a written grievance at the third step of the grievance procedure.
- b. Disputes concerning the interpretation and application of the provisions of the articles and sections of the Agreement made applicable to off-site locations by Article XVI, Section 2, and of the provisions of this article will be subject to impartial arbitration. Recognizing that the normal procedures cannot practically be applied to off-site facilities, investigation time on such cases will be limited to normal in-plant investigation. The Company agrees to release witnesses called by the arbitrator or the Union only if they are not assigned to off-site operations, and investigations by the arbitrator will be limited so as to exclude off-site facilities.

- c. Notwithstanding any of Article XVI, Section 5, the Chairman of the Plant Grievance Committee may discuss any complaint received in writing from an off-site employee with the Vice President of Human Resources or his designated representative.

Section 6. Application of Checkoff

Employees in the collective bargaining unit who are on the checkoff list when transferred to an off-site operation, or who subsequently authorize deductions, will have their deductions continued while at an off-site operation of the Company, subject to the conditions of the checkoff authorization signed by the employee.

Section 7. Policies and Practices

The Company agrees to continue, if allowed by the cognizant contractor, its past policies and practices with respect to wage rates and other expense reimbursements allowed employees assigned to an off-site operation.

Section 8. Assignment to Off-Site Locations

Vought Aircraft Industries, Inc. and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW and its Local Union 848 hereby agree that employees in the collective bargaining unit may be assigned to off-site operations as required and in accordance with past practices followed by the Company and UAW Local 848, subject, however, to the following:

- a. If a covered employee is assigned to an off-site operation and a layoff is called within thirty (30) days of the effective date of the off-site assignment, and the employee would have been affected if he had not been off-site, the employee is subject to the layoff procedure. After exhausting all rights as set forth under Article VII, the employee will be laid off and placed on the recall list as of that date.
- b. If a covered employee is assigned to an off-site operation, and a layoff is called after thirty (30) days of the effective date of the off-site assignment, and the employee would have been affected if he had not been off-site, the Company will return the employee within sixty (60) days for the purpose of layoff. After exhausting all rights as set forth under Article VII, the employee will be laid off and placed on the recall list as of the date the assignment is completed.
- c. If a covered employee assigned to an off-site operation is subsequently assigned to another operation and a layoff is called within thirty (30) days of the reassignment and the employee would have been affected if he had not been off-site, the employee is subject to the terms of Article XVI, Section 8.a.
- d. If a covered employee assigned to an off-site operation has the seniority to hold, he may be assigned to other off-site operations or returned to the plant as necessary.
- e. This section will apply to all covered employees currently assigned to off-site operations and those who will be assigned in the future.
- f. Offsite assignments will be determined by the type of work to be performed. CBU personnel assigned off-site per this article will be reclassified to job family 1030.

ARTICLE XVII SUBCONTRACTING AND MAJOR MAINTENANCE OR FACILITIES CONSTRUCTION WORK

Section 1. Notice

- a. The Company agrees, whenever reasonable and practicable, to use its maintenance employees to perform major maintenance work and facilities construction work. Due consideration will be given to employees on the layoff list in performing these tasks. The company may sub contract janitorial services only if there are no Job Code 5173-09 (Custodians) or 5174-010 (Janitors) of Job Family 5140 employees on layoff status.
- b. Each month, the Director of Facilities/Maintenance or his designated representative will advise the Chairman of the Plant Grievance Committee and the shop committeeman representing maintenance employees of the reasons and desirability for subcontracting facilities construction and major maintenance work. The Union representatives will be advised by the Company of the time and place of such meeting. Both Parties agree that this arrangement does not give the Union or any arbitrator the power to veto or modify the Company's right to subcontract major maintenance and facilities construction work, nor will it prohibit the Union's right to file and process a grievance, in accordance with Article V of this Agreement.
- c. The Company agrees, after it has subcontracted out major maintenance and facilities construction work, to advise the Union of such action on a weekly basis.

Section 2. Use of Maintenance Employees

- a. It was agreed during the 1962 contract negotiations that under the provisions of Article XVII, Section 1, it will be deemed reasonable and practicable to use maintenance employees in lieu of subcontracting maintenance and facilities construction work when the following conditions exist:
 - (1) The particular skills involved for the complete operation are immediately available either on the active payroll or on the layoff list
 - (2) The Company has the specialized equipment required or readily available to perform the operation
 - (3) No economies can be realized.
 - (4) The volume, excluding a reasonable amount of overtime or type of work does not preclude the completion within the time limits required. Reasonable will be generally defined as sixteen (16) hours overtime within a workweek. The overtime will be applicable in those instances where a contract could be completed by bargaining unit employees without impacting the daily workload by utilizing a fifty six (56) hour workweek and also in those instances where contractors are working on a short run contract during hours which are defined as weekend overtime hours for a Maintenance employee. The application of item 4 will involve only those classifications of Maintenance employees identified in sub-section (7)

below which could by application cover those jobs being performed by employees of contractors.

- (5) The work being subcontracted is not in accordance with past practices of the Company
- (6) The use of maintenance employees is not contrary to the control requirements of the cognizant military or government civilian agency
- (7) If there are employees on layoff classified as utility operators, facilities construction craftsman, millwrights, laborers, sheet metal mechanics, and/or machine repair mechanics, and the Company lets a contract calling for more than forty-five (45) days of continuous work of the above crafts, the Company agrees to recall the same number of employees in each craft as used by the contractor and retain them until the job is completed. Employee(s) refusing short term recalls per this article will be bypassed for said recall, however their contractual recall period as specified in Article VII Section 1f, d. will remain in tact. The more than forty-five (45) days of work is applied only to the single contract.

Section 3. Attachment to Article XVII

- a. The parties agree that our mission is to operate as a maintenance Self Directed Work Team, Dedicated to high efficiency, cost effectiveness, and quality, focusing on servicing and communicating with customers and suppliers with the goal of capturing all "desired" construction projects.

ARTICLE XVIII QUALIFICATIONS ENFORCEMENT AND WAIVER

Section 1. Specific Performance

- a. Either Party will be entitled to require specific performance of the provisions of this Agreement.
- b. Each of the Parties warrants that it is under no disability of any kind that will prevent it from completely carrying out and performing each and all of the provisions of this Agreement, and further that it will not take any action of any kind that will prevent or impede it in the complete performance of each and every provision hereof.

Section 2. Waiver

The waiver of any breach of any of the provisions or terms of this Agreement by either Party does not constitute a precedent for any future waiver or enforcement of such breach.

ARTICLE XIX
GENERAL PROVISIONS

Section 1. Non-Bargaining Unit Employees Working

Non-bargaining unit employees will not perform collective bargaining unit work except in emergencies or in the instruction of employees. If it is established through the grievance procedure that such employees performed collective bargaining unit work, the employees who would normally perform the work in question will be paid the appropriate hours for the amount of time the non-bargaining unit employees worked, but in no event will it be less than one (1) hour. In situations where the displacement occurred on a premium day, one (1) hour of premium pay will be paid in addition to premium pay for all actual time worked by the non-bargaining unit employee.

Section 2. Environmental, Safety and Health in the Workplace

a. The union and the Company recognize the value of maintaining high standards of environmental, safety and health compliance. Both parties are committed to working together to create an environment, which promotes processes, business activities and behaviors that will lead to an incident/accident free workplace. The parties agree that they will work together towards establishing proactive, customer driven ESH&M compliance standards to support these mutual objectives.

- (1) The Company will abide by and maintain a workplace environment in accordance with federal, state, and local laws and regulations and will conduct all business operations and activities in a manner that is protective of human health and the environment.
- (2) Each Employee will abide by and comply with company environmental, safety and health rules, regulations, and orders, which are applicable to his/her own actions and conduct on the job.
- (3) The Union and the Company will work in partnership to foster a culture that encourages open communication and mutual trust between the parties related to environmental, safety and health matters. In addition, both parties agree to work together to continuously improve environmental, safety and health performance and compliance.
- (4) The company will furnish proper safety and sanitary devices/equipment for all employees working in potentially hazardous environments. Employees shall be required to use such devices/equipment when the company determines that they are necessary.

b. Joint Environmental Safety and Health Coalition

- (1) The union and company are committed to a safe and healthful workplace and recognize that both parties must jointly share responsibilities and accountabilities in encouraging the involvement of all employees in the ESH&M process. Therefore, an Environmental, Safety and Health

Coalition will exist to address ESH&M issues to meet the parties' mutual objectives.

- (2) The committee shall be comprised of members of the ESH&M department, affected company management, union ESH&M Chairpersons, Committeepersons and stewards. The committee shall address injury/illness trends, compliance activities and target specific areas for ESH&M performance improvements. A formal program and process will be developed and implemented that will ensure a consistent approach to the ESH&M's programs, services and performance.
 - (3) Union Committeepersons and/or Shop Stewards observing conditions that in their opinion constitute a hazardous condition, an issue of non-compliance and/or a employee report of either situation will address the issue with appropriate and affected supervision/management. If no agreement or resolution is reached, the union representatives may request the involvement of the union Chairperson(s) and the ESH&M department.
 - (4) Union Chairpersons and/or committeepersons will be permitted to accompany ESH&M professional staff during inspections and/or scheduled audits.
 - (5) No ESH&M union representative as defined under ESH&M Coalition Committee, shall suffer any loss of employee rights or benefits, including opportunities for promotion, as a result of serving on the ESH&M Coalition Committee.
 - (6) Chairpersons, Committeepersons and Stewards shall be afforded the opportunity to attend ESH&M professional development training (not less than 40 hours per individual per calendar year), where the training has been mutually agreed upon in advance by both the union and ESH&M Department Manager.
- c. Joint Environmental Safety and Health Coalition - ESH&M Chairperson and Co-Chairperson
- (1) The union may appoint and designate two (2) existing union shop committeepersons for the union ESH&M Chairperson and Co-Chairperson (Co-Chairperson for the MSF/MSW Facility), that will represent the union on ESH&M matters. The Chairpersons will coordinate their activities and functions through the ESH&M Organization and consult with this organization as needed to meet mutual ESH&M objectives. The Chairpersons shall work in a cooperative partnership with the ESH&M organization to identify and address ESH&M issues, employee concerns, and compliance program activities.
 - (2) Chairpersons will be afforded all appropriate rights and privileges that would normally be provided to any ESH&M staff professional to include but not be necessarily limited to; free access of First Report of Incident Investigations, MSDSs, ESH&M metrics, inspections reports, monitoring and sampling data, etc.

- (3) Chairpersons will be the central focal point in various Joint ESH&M meetings and will represent the union at ESH&M regulatory agency site reviews, inspections and/or visits that require union participation, including any walk-a-round inspections, employee interviews, and complaint type investigations and follow-ups by a regulatory agency.

d. Hazard and/or Non-Compliance Reporting

- (1) Every employee has the right, responsibility and obligation to report any hazard that they believe may cause a serious injury, illness or fatality. In addition, every employee has the right and the responsibility to report any Environmental, Safety, Health and Medical rules infractions and/or conditions of non-compliance with regulatory standards.
- (2) The employee should report any ESH&M issues through his/her area immediate supervision. If the employee is not satisfied that the issue is receiving appropriate attention by area management to resolve, then the employee has the right to elevate the concern to their respective union representative(s).

e. Right of Refusal or "Stop Work"

- (1) No employee will be discharged for refusing to perform work on the job if their refusal is based on the claim that the job involves a dangerous condition that would unduly endanger his health or cause a serious injury, and/or a willful violation of an environmental, safety and health law.
- (2) In cases where the employee believes that a dangerous condition exists and/or where a willful intent to violate an environmental, safety and health law is about to occur, the employee should inform their immediate supervisor.
- (3) Work will not continue, until affected management, the union Chairperson(s) and an Environmental, Safety and Health professional makes the final determination concerning the safety of the individual and the work to be performed. In areas where a final consensus is not reached, ESH&M department under guidance from legal counsel will make the final determination.
- (4) If the employee is not satisfied with the final determination the employee may dispute the decision through the standard grievance procedures set forth in this agreement. The employee will not be discharged for refusing to work on the particular job involved during the time the grievance is being processed. Time lost by the employee while such determinations are being made, will not be paid for by the company.

f. Employee Negligence and Unsafe Acts

- (1) The union and company agree that providing a safe and healthful workplace for all employees and maintaining high standards of environmental, safety and health compliance is a top business priority. The objective of both parties shall be to aggressively promote and enforce ESH&M rules.

- (2) The union and company agree that willful negligence and/or failure by an employee to obey company ESH&M rules and use of safety devices or equipment provided by the company for employee protection is just cause for disciplinary action. However, if the employee believes that disciplinary action is unjust, he/she has the right of appeal as provided for in the grievance procedure

Section 3. Union Bulletin Boards

The Company will furnish bulletin boards in conspicuous places to be used solely for the posting of Union notices, rules, regulations and such other notices as may be mutually agreed upon. Before posting, all notices must be approved by the Vice President of Human Resources. The Union will notify the Company in writing of the name of the Union representative who is authorized to sign such notices. Notices will be posted by the Chairman of the Plant Grievance Committee as provided under Article IV, Section 8.b(12).

Section 4. Nondiscrimination

- a. There will be no intimidation, coercion or discrimination in any way by the Company or its agents or by the Union, its representatives or members against any employee because he is or is not a member of the Union. There will be no solicitation of employees for Union membership or dues conducted upon the premises of the Company during working hours by the Union, its representatives or by employees.
- b. There will be no discrimination, coercion or intimidation by the Company or its agents or by the Union, its representatives or members against any employee because of race, creed, color, religion, sex, age, national origin, handicapped condition, including disabled veterans or Vietnam era veterans, or any other reason. Sexual harassment is an insidious form of sex discrimination and it is prohibited. Sexual harassment is defined as unsolicited and unwelcome sexual overtures or conduct, verbal or physical, that threaten the employment relationship, which includes conditions of employment and personnel decisions, or creates a hostile, intimidating or offensive work environment.

Section 5. Physical Restrictions

- a.
- (1) An employee in Section 900 or returning from layoff who reports to the plant Medical Department with the intent of returning to work and is unable to meet the physical requirements of the job assigned, will be directed to the Labor Relations Department and will be provided Union representation. Should the employee choose not to have Union representation, he will sign a letter to that effect, and the Union committeeman or Chairman will receive a copy of said refusal of representation.
- (2) An employee returning from Section 900, who cannot perform his job because of physical restrictions, will displace a less senior employee on another job of equal or lower labor grade within his job family that he can perform with his

physical restrictions. If the physically restricted employee goes to a lower labor grade as a result of a permanent physical restriction, he will not retain rights to the higher labor grade. The Company will have ten (10) workdays to place the restricted employee. Those employees who are placed in an out-of-plant layoff status as result of being displaced, as stated above, will be laid off immediately and the Company will not be required to give notice to the Union as set forth in Article VII.

- b. If an employee who is physically disabled as a result of sustaining injury either at work or outside of work cannot be placed under Article XIX, Section 6.a, he will be given such other suitable employment as may then be available.
- c. When a dispute arises as a result of the Company's authorized physician's diagnosis that an employee is not capable of returning to work, the Company and the Union agree to refer the employee to Baylorwork for a functional capacity evaluation. The Company and the Union will examine the particular job to be performed to determine the physical requirements. These findings will be jointly furnished to Baylorwork to determine if the employee can perform the physical requirements of the job. Baylorwork will make whatever physical examination necessary, and the decision will be final and binding upon the employee, the Union and the Company. Baylorwork will have no power to add to, or subtract from, or modify in any way any of the terms of this Agreement.
- d. The Parties recognize that modifications to the Collective Bargaining Agreement or existing practices may be required to fulfill the obligations required by the Americans with Disabilities Act (ADA). If such modifications or changes in practices are needed, the Parties will jointly implement such modifications or changes necessary to comply with the ADA.

Section 7. Absence for Union Business

Union members will be given permission to be absent from or to leave the plant on bona fide Union business upon request of the President of the local Union, providing that:

- a. Twenty-four (24) hours' advance notice has been given to the Vice President of Human Resources or his designee
- b. The total number for which permission is requested to be absent from the plant on any one (1) day will not exceed twenty-five (25) and not more than two (2) of these are from any one (1) steward's district, except in those instances where an employee is elected as an official delegate to an International UAW convention, or to a function sponsored by or under the auspices of the UAW.
Such time spent by employees out of the plant will not be paid for by the Company.

Section 8. Security Provisions

Nothing contained in this Agreement will in any way limit the right of the Company to discharge any employee in order to comply with its obligations to the government under any security agreement, under any security provisions of its government contracts, or under any law, regulation or direction of the government. The Company will notify the

Union prior to or immediately following such a discharge and, if permitted, will disclose to the Union the reason or basis for its action.

Section 9. Vought Aircraft Industries, Inc. Education Reimbursement Plan

The parties agree to adopt the Vought Education Reimbursement Plan for the purpose of encouraging the development of all employees. The following table outlines key elements of the plan (not inclusive).

Tuition and Required Fees	100% accredited state schools 100% onsite programs 80% accredited private schools
Program Approval	Includes all courses in approved program. Form submitted no earlier than 60 days and no later than 15 days prior to start of class.
Executive Development Programs	These programs are not part of the Education Reimbursement Plan.
Job Related/Reasonable Opportunity	Company-related business. Must meet test of reasonable opportunity.
Certificate Programs	Yes
Courses Not a Part of an Approved Program	Must be job specific
General Education Courses (Toward a Degree)	Yes
Non-Accredited Correspondence Schools	50% reimbursement
Grades	Undergraduate - "C" in each course Graduate - "B" average Grades of "D" or "Fail" are not reimbursed
Enrollment Limitations	2 courses per term with noted exceptions
Textbooks	Up to \$60 per course
Course Required Software	50% to \$200 maximum per course

Section 10. Security and Access

- a. Since the Company has mandated security obligations in its contracts with certain other companies and/or government agencies pertaining to security access, nothing contained in this Agreement is intended to place the Company in violation of said security agreements. Therefore, the Company is not required to employ, continue in its employment, assign to or give access to any employee not approved for access by the aforementioned other Company or government agency.
- b. Where it is practical and reasonable, the Company will follow the principle of seniority in determining employees to be submitted for access clearances by the appropriate other Company and/or government agency. It is recognized that other nonsecured, nonaccessed programs must operate efficiently, and where possible avoid disruption. Therefore, it may not be practical and reasonable to submit candidates by seniority. The Company's intent will be to follow the principle of seniority. However, should this not be practical and reasonable, the Company will discuss the matter with the appropriate committeeman(s) and the Chairman of the Plant Grievance Committee. The Company will have no liability should it be determined that a more senior employee(s) has to be laid off while retaining a less senior employee(s) because of security requirements imposed by other companies and/or government agencies.
- c. Promotional opportunities within an access area will be filled in accordance with the contract provisions of Article VII, Section 5, Promotions. Access clearance will not be a considered factor in identification of an individual for promotion. An employee's promotion and assignment to work a job requiring security access depends upon such employee chosen for the promotion submitting access paperwork and obtaining the necessary security access from the cognizant agency in a timely manner.
- d. In a job classification requiring the assignment of a small number of employees to work full time in a security access program, the Company will request bidding employees to submit themselves for the necessary clearance in seniority order, beginning with the most senior first and so on. An employee's promotion and assignment to work a job requiring security access depends upon such employee submitting access paperwork and obtaining the necessary security access from the cognizant agency in a timely manner.

Section 11. Masculine - Feminine References

In construing and interpreting the language of this Agreement, reference to the masculine, such as "he", "him", and "his", shall include reference to the feminine.

ARTICLE XX
DURATION

Section 1.

- a. This Agreement will be in force and effect through 11:59 p.m., September 26, 2004 and for additional periods of one (1) year thereafter unless either Party gives written notice of its intent to terminate the Agreement or modify any portion of any of the terms thereof by registered mail to the other Party not less than sixty (60) nor more than seventy (70) days prior to September 26, 2004 or prior to the end of any yearly period subsequent thereto.
- b. In the event either Party gives notice to the other of its intent to terminate or modify this Agreement as provided for in Article XX, Section 1.a, this Agreement will not forthwith terminate on its anniversary date, but will continue thereafter in force and effect until either Party gives to the other final written notice of termination, which will be effective not earlier than one hundred twenty (120) hours from the receipt of said notice by the addressee.
- c. In the event notice of intent to terminate or modify this Agreement has been given by either or both Parties as provided for in Article XX, Section 1.a, collective bargaining meetings will be held between the Plant Grievance Committee, representatives of the international Union and the Company, beginning promptly after receipt of a notice of intent to terminate or modify. The Parties will, after receipt of a notice of intent to terminate or modify, promptly exchange contract proposals, provided that neither Party will be precluded from submitting new or additional proposals at any time prior to the execution of a new, extended or modified collective bargaining agreement.
- d. It is expressly understood that the notice of dispute to the Federal Mediation and Conciliation Service required by the Labor Management Relations Act of 1947, as amended, will be due to it thirty (30) days prior to September 26, 2004 or any subsequent September 26.

Section 2.

The Union and the Company, in consideration of the benefits, privileges and advantages provided in this Agreement, suspend meetings in collective bargaining negotiations with each other during the life of this Agreement with respect to any further demands, including pensions or insurance for employees or with respect to any questions of wages, hours or working conditions, except as may be dealt with as a grievance under Article V.

XX

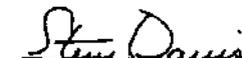
Section 3.

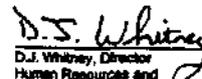
Notices will be in writing and will be sent by registered mail addressed, if to the Union, to Local 848, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, 2218 E. Main, Grand Prairie, TX, 75050, and to the Subregional Office of the International Union, 1341 West Mockingbird, Suite 301W, Dallas, TX, 75247; and if to the Company, to Vought Aircraft Industries, Inc., Vice President, Human Resources and Administration, 9314 W. Jefferson Blvd., P. O. Box 655907, Dallas, TX 75265-5907.

Corporate Management

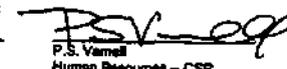

T.D. Riley
Corporate Senior Vice President
& Chief Operating Officer

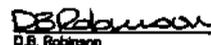

M.S. Parker
Corporate Vice President
& Chief Human Resources and
Administration Officer


S.A. Davis
Vice President, Dallas Site


D.J. Whitney, Director
Human Resources and
Administration


K.P. McGlinchey
Assistant General Counsel

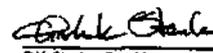

P.S. Varnell
Human Resources - CSR

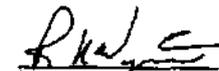

D.B. Robinson
Human Resources - CSR

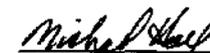

H.J. Bradford
Wage Administration


R.H. Porter
Wage Administration
Human Resources - CSR

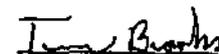
Plant Management


G.K. Stanley, President
UAW Local 848

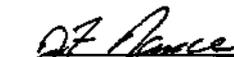

R.K. Wagner, Chairman
Plant Grievance Committee
UAW Local 848

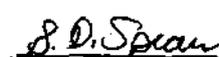

M.D. Hall
International Representative
UAW


A. Sheehy
UAW Committeeman Zone 1

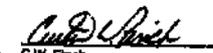

T.L. Brooks
UAW Committeeman Zone 2


P.C. Jimenez
UAW Committeeman Zone 3


J.F. Hance
UAW Committeeman Zone 4


G.D. Spears
UAW Committeeman Zone 5


J.S. Williams
UAW Committeeman Zone 6


C.W. Finch
UAW Committeeman Zone 7


K.S. Williams
UAW Committeeman Zone 8

Letters of Agreement

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Vought Aircraft Industries, Inc.
Post Office Box 655007
Dallas, TX 75265-5007

Letter of Agreement 1
Local 848 President

The parties agree that, in the event that a bargaining unit employee is elected President of Local 848 of the UAW, such employee shall be entitled to paid leave for the purpose of performing the functions of that office. Such pay will be the President's hourly base rate of pay for forty (40) hours per week and will exclude any shift or premium pay. No overtime or expenses will be paid by the company.

The President will remain an employee of the Company and will be eligible for all employee benefits provided to employees in the bargaining unit. Any performance award payments paid to employees of the bargaining unit will also be paid to the President. The President will make himself available, at reasonable times and upon reasonable notice, for the meetings with appropriate company officials for the purpose of negotiations, management interface, and issues arising under the terms of the agreement.

D.J. Whitney
D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01

C.K. Stanley
C.K. Stanley - President
Local Union 848 - UAW

R.K. Wagner III
R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW

M.D. Hall
M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 655607
Dallas, TX 75265-5607

Letter of Agreement 2
Pro Rata Vacation - Terminations

This reaffirms the letter dated 7 June 1963 that states:

It is the understanding of the parties that the interpretation and application of paragraphs a. and b., Section 7, of Article IX, are as follows:

1. IX, 7a.

- a. An employee who is laid off or drafted into military service under the Selective Service Act, as amended, or who retires under the Company's Retirement Income Plan, will be paid pro rata vacation provided:

- (1) He has one (1) or more years of seniority on the date of his termination, and
- (2) He has worked at least eighty percent (80%) of the regular scheduled working hours of the plant from the last May 1, to the date of his termination.

- b. Pro-rated vacation will be paid at the rate of one-twelfth (1/12) of the vacation pay for which the employee was eligible on the May 1, immediately preceding the date of his termination, for each month and the major fraction of the month (minimum of eighty-five (85) straight-time hours) in which he was terminated.

c. Examples:

(1)	(a)	Seniority:	2-1-62
	(b)	Laid Off:	2-1-63
	(c)	Vacation eligibility on 5-1-62:	-0-
	(d)	Pro-rated vacation due on 2-1-63:	-0-
	(e)	Recalled:	3-1-63
	(f)	Vacation eligibility on 5-1-63:	40 hrs
(2)	(a)	Seniority:	2-1-62
	(b)	Laid Off:	2-1-63
	(c)	Vacation eligibility on 5-1-62:	-0-
	(d)	Pro-rated vacation due on 2-1-63:	-0-
	(e)	Recalled:	6-1-63
	(f)	Vacation eligibility upon recall:	40 hrs
(3)	(a)	Seniority:	10-1-61
	(b)	Laid Off:	2-1-63
	(c)	Vacation eligibility	

	on 5-1-62:	24 hrs.	
(d)	Pro-rated vacation due on 2-1-63:	9/12 of 24 hrs	
(e)	Recalled:	3-1-63	
(f)	Vacation on 5-1-63	40 hrs. less 9/12 of 24 hrs.	
(4)	(a)	Seniority Laid Off:	2-1-61
	(b)	Laid Off:	2-1-63
	(c)	Vacation eligibility on 5-1-62:	80 hrs.
	(d)	Pro-rated vacation due on 2-1-63:	9/12 of 80 hrs.
	(e)	Recalled:	3-1-63
	(f)	Vacation on 5-1-63	120 hrs. less 9/12 of 80 hrs.

In each of the above examples, the eighty percent (80%) requirement has been met.

2. IX, 7 b.

- a. An employee who on May 1 is not eligible for a full vacation because of fifty-three (53) or more days while in Section 900 (an inactive status), and whose other absences while on the active payroll do not exceed twenty percent (20%) of the scheduled working hours of the plant, will receive pro rata vacation for each period the employee was on the payroll working, provided:

- (1) He has worked eighty percent (80%) of the time of each period separately to be eligible for pro rata for that period.
- (2) He will be eligible for one-twelfth (1/12) pro rata for the month the employee enters Section 900 only if the employee works a minimum of eighty-five (85) hours and has qualified under the eighty percent (80%) rule for the pertinent work period.
- (3) He will be eligible for one-twelfth (1/12) of his vacation for each month that he qualifies.
- (4) Pro rata for that period prior to entering Section 900 will be based on the vacation for which the employee was eligible on the previous May 1. Pro rata for the last period following return to following May 1 will be based on the vacation for which the employee is eligible on the following May 1.

b. Examples:

(1)	(a)	Seniority	2-1-61
	(b)	Vacation eligibility on 5-1-62:	40 hrs.
	(c)	Into 900:	7-1-62
	(d)	Returns 900:	8-15-62
	(e)	Vacation eligibility on 5-1-63:	80 hrs.
(2)	(a)	Seniority	2-1-61
	(b)	Vacation eligibility on 5-1-62	40 hrs.
	(c)	Into 900:	7-1-62
	(d)	Returns 900:	3-1-63
	(e)	Vacation eligibility on 5-1-63:	2/12 of 40 hrs; 2/12 of 80 hrs.

- | | | | |
|-----|-----|---------------------------------|-------------------------------------|
| (3) | (a) | Seniority | 2-1-48 |
| | (b) | Vacation eligibility on 5-1-62 | 120 hrs. |
| | (c) | Into 900: | 6-19-62 |
| | (d) | Returns 900: | 3-13-63 |
| | (e) | Vacation eligibility on 5-1-63: | 3/12 of 120 hrs. |
| (4) | (a) | Seniority | 2-1-61 |
| | (b) | Vacation eligibility on 5-1-62 | 80 hrs. |
| | (c) | Into 900: | 11-19-62 |
| | (d) | Returns 900: | 3-25-63 |
| | (e) | Vacation eligibility on 5-1-63: | 6/12 of 80 hrs;
1/12 of 120 hrs. |
| (5) | (a) | Seniority | 2-1-58 |
| | (b) | Vacation eligibility on 5-1-62 | 80 hrs. |
| | (c) | Into 900: | 7-17-62 |
| | (d) | Returns 900: | 8-1-62 |
| | (e) | Into 900: | 12-10-62 |
| | (f) | Returns 900: | 2-18-63 |
| | (g) | Vacation eligibility on 5-1-63: | 8/12 of 80 hrs. |
| (6) | (a) | Seniority | 2-1-58 |
| | (b) | Vacation eligibility on 5-1-62 | 80 hrs. |
| | (c) | Layoff: | 6-1-62 |
| | (d) | Recall: | 6-29-62 |
| | (e) | Into 900: | 8-1-62 |
| | (f) | Returns 900: | 10-22-62 |
| | (g) | Layoff: | 12-3-62 |
| | (h) | Recall: | 1-28-63 |
| | (i) | Vacation eligibility on 5-1-63: | 3/12 of 80 hrs. |

In each of the above six (6) examples the eighty percent (80%) requirement would have been met and total number of absences while on the active payroll had not exceeded twenty percent (20%).

- | | | | |
|-----|-----|---------------------------------|-----------------|
| (7) | (a) | Seniority | 2-1-56 |
| | (b) | Vacation eligibility on 5-1-62 | 80 hrs. |
| | (c) | Into 900: | 10-1-62 |
| | (d) | Returns 900: | 10-15-62 |
| | (e) | Absent (11-1-62 to 2-4-63): | Exceeds 52 days |
| | (f) | Vacation eligibility on 5-1-63: | 0. |

In example (7) above, employee did not meet the eighty percent (80%) requirement.

Letter of Agreement #2 - Pro Rata Vacation Terminations

D.J. Whitney
D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01

C.K. Stanley
C.K. Stanley - President
Local Union 848 - UAW

R.K. Wagner III
R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW

Michael Hall
M.D. Hall
International Representative - UAW



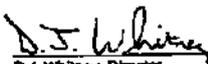
Vought Aircraft Industries, Inc.
Post Office Box 555907
Dallas, TX 75265-5907

Letter of Agreement 3
Mediation Process

During the course of negotiations the parties agreed to amend Article V, Section 7, b. 90 as to permit mediation, upon mutual agreement, during the prearbitration step of the grievance procedure.

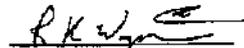
The primary purpose of the mediator is to assist the parties in settling grievances in a mutually satisfactory fashion. In attempting to achieve a settlement, the mediator is free to use all of the techniques customarily associated with mediation, including private conferences with only one party. If settlement is not reached during the mediation, and the matter is arbitrated, the mediator shall not serve as the arbitrator and shall not be called as a witness by either party. Nothing said or done by the parties or the mediator during the mediation may be introduced by either party during arbitration.

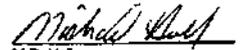
The parties shall mutually select the mediator. If the parties are unable to reach agreement on a mediator, the matter shall be submitted to arbitration. Each party shall bear one-half of the fees and expenses of the mediator.


D.J. Whitney, Director
HR&A Customer Support
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW

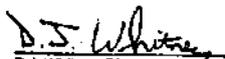

M.D. Hall
International Representative - UAW



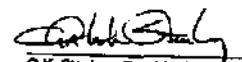
Vought Aircraft Industries, Inc.
Post Office Box 555907
Dallas, TX 75265-5907

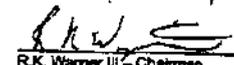
Letter of Agreement 4
Mantech

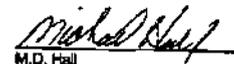
Job Families 5060 (Millwrights) and 5080 (Machine Repair Mechanics) will be required to be included in the installation(s) of machine tools developed by Manufacturing Technology.


D.J. Whitney, Director
HR&A Customer Support
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 65907
Dallas, TX 75265-0907

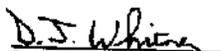
Letter of Agreement 5
Disability Benefits - Impartial Physician

In those cases in which the insurance company exercises its option to have its physician examine an employee, the insurance company has the right for the examination to be conducted in Dallas, Texas. If the insurance company exercises the right subsequent to 52 weeks following the individual's last day at work, the Parties agree that the Company will pay mileage at the rate of \$.32 per mile (both ways) as determined by Rand McNally from the individual's place of domicile to Dallas, Texas. No mileage will be paid if the domicile is less than 100 miles (one way) from Dallas, Texas. If the place of domicile is 200 miles or more (one way), the individual will be paid an additional \$50 lodging allowance.

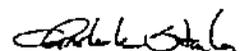
If, as a result of such examination, the employee is not receiving short term disability benefits or Extended Disability Benefits (EDB) and a dispute exists as to the employee's entitlement to short-term disability benefits or EDB, it is agreed as follows:

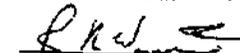
1. That a physician will be selected in accordance with the procedure for selection of Medical Arbitrators in Article V, Section B.p. of the Agreement between the Parties.
2. That the affected employee who is under the regular care and attendance of a physician will be referred to the physician selected under paragraph 1, who will determine whether, if the case involves short-term disability benefits, the employee is wholly and continuously disabled and prevented from engaging in his occupation or, if the case involves EDB, whether the employee has a physical or mental condition which totally prevents him from engaging in any gainful employment.
3. That in the case of short-term disability benefits, if the employee is to be wholly and continuously disabled and prevented from engaging in his occupation and is and has been otherwise under the regular care and attendance of a physician, short-term disability benefits will be payable in accordance with the provisions of the disability insurance plan under which the claim arose, including short-term disability benefits not paid because of the adverse determination of the insurance company's physician; that in the case of EDB, if the employee is found to have a physical or mental condition which totally prevents him from engaging in any gainful employment, EDB will be payable in accordance with the provisions of the disability insurance plan under which the claim arose, including EDB not paid because of the adverse determination of the insurance company's physician.
4. That the physician selected under paragraph 1. of this Letter of Agreement may request from an affected employee's physician or the insurance company's physician such of the employee's medical records as he deems useful to his determination.
5. That the decision of the physician selected under paragraph 1. of this Letter of Agreement will be final and binding on the Parties.
6. That the charges of the physician selected under paragraph 1. of this Letter of Agreement will be borne equally by the Parties.

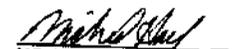
7. Provided, however, that this procedure will not be applicable and EDB will not be denied as a result of the insurance company's physician's examination where the Social Security Administration considers the employee eligible for Social Security Disability Insurance Benefits and the Company considers the employee to have a physical or mental condition which totally prevents him from engaging in any gainful employment.


D.J. Whitney, Director
HR&A Customer Support
EEO, and Ethics

Date: 2-1-01


C.K. Starley - President
Local Union 848 - UAW


R.K. Wegner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 65907
Dallas, TX 75265-9007

Letter of Agreement 6
Carveout Procedure for Disability Benefits

This letter amends the original letter dated 10 August 1970 and reaffirmed 23 June 1988 to incorporate the offset procedure for Impairment Income Benefits if the employee has returned to work.

The Parties have agreed to a procedure for offsetting short-term disability benefits and Extended Disability Benefits (EDB) payable under the disability income plan now in effect between the Parties.

This procedure will be referred to hereinafter as the "offset procedure".

The disability income plan provides for certain levels of benefits under the short term disability plan and EDB. This plan also provides for the inclusion of benefits payable from such sources as Social Security, Workers' Compensation, or similar government benefits, and retirement benefits to maintain the appropriate level of benefits.

OFFSET PROCEDURES

Short Term Disability

The following sources of benefits will be "offset" from short term disability benefits:

1. Social Security Disability Insurance Benefits (SS-DIB)

The weekly equivalent of the Social Security Disability Insurance Benefit payments, to which an employee may be entitled for the same period for which he is receiving short-term disability benefits will be deducted from short-term disability benefits. For this reduction, the weekly equivalent of a monthly SS-DIB benefit will be considered equal to the monthly SS-DIB amount divided by 4.333.

The offset procedure will be applicable only to the primary SS-DIB to which the employee is or may be entitled. No reduction in short-term disability benefits will be made because of SS-DIB which may be paid or payable to entitled dependents of the employee. However, if an employee's age is too great to allow him to apply for SS-DIB, any amount payable from Old Age Social Security will be deducted. The reduction will cease when the Company has received one SS-DIB denial.

2. Workers' Compensation

Short-term disability benefits will also be reduced by periodic Worker's Compensation benefits paid or payable to the employee for any injury for the same period for which the employee is receiving short-term disability benefits. For lump sum settlements, the reduction will be calculated using the method agreed to by the Parties in the retirement plan. However, if the employee has returned to work and receives Impairment Income Benefits, either weekly or lump sum, there will be no offset from short-term disability benefits.

Extended Disability Benefits (EDB)

The following sources of benefits will be "offset" from EDB:

1. Social Security Disability Insurance Benefits (SS-DIB)

The weekly equivalent of the Social Security Disability Insurance Benefit payments, to which an employee may be entitled for the same period for which he is receiving EDB will be deducted from EDB. For this reduction, the weekly equivalent of a monthly SS-DIB benefit will be considered equal to the monthly SS-DIB amount divided by 4.333.

The offset procedure will be applicable only to the primary SS-DIB to which the employee is or may be entitled. No reduction in EDB will be made because of SS-DIB which may be paid or payable to entitled dependents of the employee. However, if an employee's age is too great to allow him to apply for SS-DIB, any amount payable from Old Age Social Security will be deducted. No SS-DIB offset will be taken if two denials have been received by the Company.

2. Workers' Compensation

EDB will also be reduced by periodic Worker's Compensation benefits paid or payable to the employee for any injury for the same period for which the employee is receiving EDB. For lump sum settlements, the reduction will be calculated using the method agreed to by the Parties in the retirement plan. However, if the employee has returned to work and receives Impairment Income Benefits, either weekly or lump sum, there will be no offset from EDB.

3. Disability Retirement Benefits

EDB will also be offset by any benefits paid or payable under the Company's disability retirement plan, unless such benefits have been denied.

The offset procedure will be applicable to disabilities which commence on or after January 1, 1970.

There will be no integration of sick pay and short term disability benefits under the offset procedure.

The provisions, conditions and application of the disability income plan will be unaltered by this Letter of Agreement except to the extent, if any, they must be modified to implement the offset procedure.

The Company will inform affected employees of the provisions of this Letter of Agreement in a timely manner as set forth in this letter.

It is agreed that the Company may make changes in the offset procedure (including the changes in the presumed SS-DIB amount) made applicable by changes in the law governing Social Security Disability Insurance Benefits.

Step 1. Letter SS-1

Letter SS-1 is sent to the employee during the eighth week of disability. Included with the letter is an "Authorization to Secure Award or Denial Information".

Letter SS-1 advises the employee to:

1. File a claim for SS-DIB, and
2. Sign and submit the authorization form to the local Social Security District Office.

A copy of the award or denial should be received by the Company (per Authorization Form) by the seventh month of disability. If notice of a denial is received, no short-term disability reduction is made. If notice of an award is received, reduction of short-term disability is made. If no notice has been received, short-term disability benefits will be reduced by the estimated SS-DIB amount.**

* Where an SS-DIB award is received, the reduction in short-term disability payments is made in the employee's short-term disability check for the first full week of the seventh [u] calendar month of disability.

For example: If the employee became disabled on January 15, the first reduction would be from the short-term disability check for the first week of August.

However, since short-term disability reductions are effective with the sixth full calendar month of disability, an additional amount is deducted until the SS-DIB amount for the sixth month, or retroactive to the effective date of the award, has been held out.

** If the employee's SS-DIB claim has not yet been determined, or if appears an entitled employee has not filed a claim or has not provided the required medical evidence, or if the employee has been totally or partially dis-qualified for SS-DIB because of delayed filing, lack of treatment, or refusal without good cause to accept vocational rehabilitation training, weekly short-term disability benefits are nonetheless reduced, as in the example above (including the additional amount for the sixth month of disability), except the base weekly reduction is on a presumed SS-DIB amount, subject to changes in the law governing Social Security Disability Insurance Benefits.

The current amount of reduction for disabilities commencing on or after January 1, 2000, is \$208 per week. The additional amount deducted to recover the sixth month overpayment is \$45.

Step 2. Letter SS-2

Letter SS-2 is sent to the employee during the first full week of the seventh calendar month of disability.

It is written one of two ways. It tells the employee either:

1. The notice of an SS-DIB award was received and short-term disability will be reduced, or
2. That no notice was received and the presumed SS-DIB amount will be deducted.

Step 3. (Where Step 2 is not applicable) Letter SS-3

If it appears to the Company that the employee is not entitled to SS-DIB benefits (but no determination has been received) letter SS-3 is sent to the employee during the first week of the seventh month of disability.

Letter SS-3 informs the employee that no reduction in short-term disability benefits will be made presently. However, the employee is advised to immediately file a claim for SS-DIB if not already done, because if no determination of claim is received, short-term disability benefits will be reduced in accordance with the following paragraph.

Where neither award nor denial (per Authorization form) nor "Certificate of Social Insurance Award or Denial" (Social Security document) is received by the time unreduced short-term disability payments have been made for 39 weeks, the presumed reduction begins with the short-term disability check for the 40th week of disability. However, since only 13 weeks of short-term disability benefits are now available to recoup presumed SS-DIB for 29 weeks (six months), the total presumed SS-DIB is deducted during the last 13 weeks of short-term disability.

Step 4. Letter EDB-1

Letter EDB-1 is sent to the employee during the 39th week of disability. The letter advises the employee to make application for EDB, and, if applicable, for disability retirement benefits and continuation of life insurance.

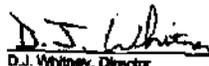
Step 5.

Situations may arise where adjustments must be made from an employee's disability benefits. Letters SS-4 and SS-5 are samples of letters to cover such situations.

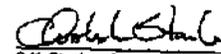
Letter SS-4: To be sent after receipt of notification of SS-DIB award (overpayment or underpayment).

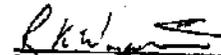
Letter SS-5: To be sent after receipt of notification of denial of SS-DIB or after the maximum benefit period.

This Letter of Agreement will remain in effect for the duration of the Collective Bargaining Agreement between the Parties unless otherwise mutually agreed.


D.J. Whitney, Director
HR&A Customer Support
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW

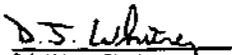


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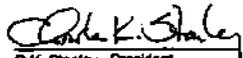
Letter of Agreement 7
Repair of Battery Powered Vehicles

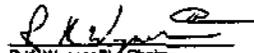
This reaffirms the letter dated 20 August 1970 that states:

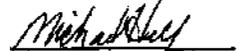
- The Parties below agree to abide by the following guidelines to prevent misunderstanding concerning the repairs of Battery Powered Internal Transportation Vehicles used on Company premises and under the jurisdiction of the Company at the Grand Prairie, Texas Plant.
 - All mechanical (stationary and moveable) components will be the responsibility of the Vehicle Mechanics Occupational Group 5100. Example: Frame, Cantiage, Uprights, Hydraulic systems, Steering, Aides, Brakes, Cooking systems, Wheels, Shocks, Seats, Lights, Homs, Batteries, Starters, Generators and other Automotive type systems excluding systems set forth in subsection (b).
 - All Battery Powered Electrical Systems which are electronic in nature on which demand knowledge of electronics or electrical background will be the responsibility of the Maintenance Electricians Occupational Group 0560. Example: Motors, Battery Chargers, Relays and Associated Electrical Control Circuits.
- It is further agreed that all vehicles will be delivered to the Garage for checking prior to assignment to the electrical group for repairs.


D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



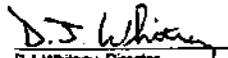
Vought Aircraft Industries, Inc.
Post Office Box 655007
Dallas, TX 75265-5007

Letter of Agreement 8
Insurance Dependents After Retirement

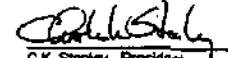
This Letter of Agreement replaces the original letter dated 15 December 1972 and reaffirmed 23 June 1988.

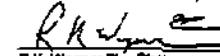
The Company and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, and its Local Union 848, agree as follows:

- At the time an employee receives the retirement exit interview, a description of the current health care rules and provisions regarding coverage for themselves, as well as their dependents, will be explained in detail. Employees will be required to provide the Company with satisfactory evidence that the dependents listed to be covered with health care after retirement meet the eligibility requirements on the date of retirement.
- In the event that the retiring employee's spouse is an employee of the Company on the date of the retiring employee's retirement, and is eligible for health care in his or her own right, the retiring employee may list that spouse as a future eligible dependent. However, the spouse will retain active employee health care coverage so long as a covered employee. In the event that spouse loses coverage in their own right at any time subsequent to the retiring employee's retirement date, retiree health care coverage will be extended to that spouse.
- Under no other circumstances will any dependents acquired subsequent to the retirement effective date be eligible for health care coverage, regardless of the relationship to the retiree.


D.J. Whitney, Director
HR&A Customer Support
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 655907
Dallas, TX 75265-5907

Letter of Agreement 9
Benefits Coordinator

During 1971 negotiations the Parties agreed in principle to a Company-paid Benefits Coordinator. This Supplemental Agreement will define, in total, effective March 9, 1982, the rights and duties of each Party with respect to said Benefits Coordinator:

1. Pay

Subject to 3., below, the Company will pay the Benefits Coordinator at the maximum rate of labor grade 1 each week during which he actively functions as Benefits Coordinator as set forth below up to but not exceeding forty (40) times the base hourly rate (including COLA but excluding all other bonuses and premiums) he would otherwise receive under the terms of the Collective Bargaining Agreement between the Parties.

2. Number

Under no condition will more than one individual serve as Benefits Coordinator at any given time.

3. Appointment

The Company and the Union will mutually agree on the person to serve as Benefits Coordinator. No person will be recognized by the Company as Benefits Coordinator until such mutual agreement has been reached.

4. Duties

The Benefits Coordinator will serve employees and retirees in relation to collectively bargained benefit plans. The specific duties will be assigned by the Company.

5. Authority

a. The Benefits Coordinator's authority will be limited to the investigation of individual employee's specific inquiries received by the Benefits Coordinator. The Benefits Coordinator's investigation will not exceed that which is necessary to adequately investigate a specific inquiry.

b. The Benefits Coordinator will have no other investigatory or other authority.

6. Work Location

The Benefits Coordinator will work twenty-four (24) hours per week in the Benefits Office and sixteen (16) hours per week in the Union Hall. The times will be mutually agreed to between the Company and Union.

7. Access to Employees

The Benefits Coordinator will not contact an employee at work during the time the employee is scheduled to be working unless so directed by the Company.

8. Seniority

The Benefits Coordinator will, as long as his appointment is in effect, have top seniority in his occupational group for layoff purposes.

9. Misconduct

The Company reserves the right to discipline the Benefits Coordinator for violation of this Agreement, with penalties to be commensurate with penalties assessed for comparable offenses as defined under Company Rules in effect at the time of the offense.

Any action taken by the Company in this regard may be challenged by Union grievance. If challenged, the Benefits Coordinator will continue to serve at the Union's discretion, Union-paid. If the challenge to the Company's action is resolved in the Union's favor, the Company will continue to recognize and pay the Benefits Coordinator and will reimburse the Union for the Benefits Coordinator's pay, not to exceed forty (40) hours per week in accordance with paragraph 1., above. If the Company's action is upheld, a new Benefits Coordinator will be appointed as provided in paragraph 3., above.

10. Company Rules

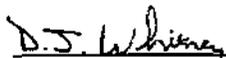
Notwithstanding 9., above, the Benefits Coordinator will be subject to the same rules and regulations (and penalties for violation thereof) as employees working under the terms of the Collective Bargaining Agreement between the Parties.

11. Minimum Number of Employees

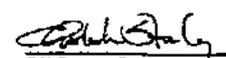
If, while this Supplemental Agreement is in effect, the number of employees covered by the Collective Bargaining Agreement drops below 2,000, this Supplemental Agreement will be void, and there will be no Benefits Coordinator unless and until the number of said employees again exceeds 2,000.

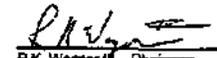
12. Duration

This Letter of Agreement will not survive the Collective Bargaining Agreement between the Parties and may be terminated sooner by mutual consent.


D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-81


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner II - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 655007
Dallas, TX 75265-5007

Letter of Agreement 10
Sr. Production Control Process Analyst

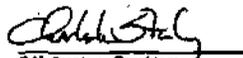
The Company and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW and its Local Union 848 hereby agree to the definition of duties pertaining to the functions of the Sr. Production Control Process Analyst and employees covered by the terms of this Agreement as follows:

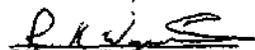
1. Duties considered the work normally performed by employees covered under the terms of the Agreement and not to be performed by Sr. Process Analyst are:
 - a. Assisting hourly employees in the loading and unloading of parts.
 - b. Giving instructions to hourly employees with regard to job assignment unless in an acting capacity as stated in paragraph 2 below.
 - c. Assuming the duties of a Leadman during his absence.
 - d. Other duties normally within the scope and normally performed by hourly employees.

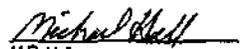
2. The Sr. Process Analyst will perform functions in a staff capacity relative to analyzing, planning, coordinating, and executing Production Control processes as an extension of the Supervisor or Manager and may assume duties of same in an acting capacity in their absence. The Sr. Process Analyst functions being clarified herein will be performed after the hourly Production Control employees and Leadmen have performed their duties as set forth in their respective job descriptions. The Sr. Process Analyst will assist the Supervisor or Manager in matters such as determining priorities, recommending management action, or alternate manufacturing methods, and other similar action necessary to meet schedule.


D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 655007
Dallas, TX 75265-5007

Letter of Agreement 11
Power House & Waste Treatment

The Company and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW and its Local Union 848 agree as set forth below on questions pertaining to preventative maintenance, training, and overtime assignment and distribution, as it relates to the Power House operations and the Industrial Waste Treatment plant operations:

1. In regard to preventative maintenance, the Power House employees will perform it, and other skills in Maintenance will be used to supplement the Power House as necessary. Preventative maintenance will be all operations not considered general maintenance in other areas of the plant. Power House preventative maintenance includes items addressed in the job code 5420 job description.
2. Training of Power House employees and those assigned to Industrial Waste Treatment will be as follows:
 - a. A review of an employee's progress in job code 5422 toward qualifying for the labor grade 2 job will be made annually if the employee has not been upgraded by that time.
 - b. Those employees who become qualified in both processes will be promoted to grade 2 and in the case of lead employee to grade L.
3. Whenever an employee is absent on a regular scheduled shift and day, and it is necessary to cover the job by use of an overtime assignment, the Company will first attempt to call in an employee(s), by low overtime distribution, assigned to that shift who is scheduled off that day. Should the Company be unable to secure someone by call in, the employee low on overtime distribution on the preceding shift will hold over four (4) hours and the employee low on overtime distribution on the following shift will be called in four (4) hours early.
4. A lead employee will perform lead duties and, as necessary, may perform one other function (station) when working on a straight-time basis. However, a lead employee will perform only lead employee duties and will not displace another non-lead employee when the lead employee is working on an overtime basis.

5. The work schedule will be posted nine (9) days in advance.

D.J. Whitney
D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01

Charles Stanley
C.K. Stanley - President
Local Union 848 - UAW

R.K. Wagner III
R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW

Michael Hall
M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 85007
Dallas, TX 75205-9007

Letter of Agreement 12
Concurrent Engineering Environment

The Parties agree to incorporate flat pattern tasks into concurrent engineering as outlined herein.

On programs where the Company is dictated and/or decides to implement concurrent engineering into the design process, the use of automation will be utilized to the fullest potential possible. Direct download of electronic data base information for use by the Fabrication organization is intended to be maximized.

Where automation overlaps bargaining unit tasks, the bargaining unit personnel will be transitioned into the design process to utilize their skills to satisfy contractual agreements.

Bargaining unit personnel will be provided training and access to equipment as necessary to fulfill bargaining unit tasks in the concurrent engineering environment. Training may include functionality outside of bargaining tasks to best utilize personnel efficiently in a concurrent engineering environment.

D.J. Whitney
D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01

Charles Stanley
C.K. Stanley - President
Local Union 848 - UAW

R.K. Wagner III
R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW

Michael Hall
M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 65907
Dallas, TX 75265-5907

Letter of Agreement 13
Repeal of Section 14(b)

This reaffirms the letter dated 1 March 1978 that states:

The Parties agreed that in the event that Section 14(b) of the Labor Management Relations Act of 1947 is repealed, those employees who are members of the Union at that time must retain their membership while they are covered by this Agreement, and those employees hired subsequent to the repeal of the Section will be required, as a condition of employment, to become a member of the Union within thirty (30) days after being placed on the payroll.

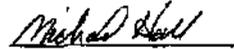
It was agreed further that those employees who on the effective date of the repeal of Section 14(b) were not members of the Union will not be required to become a member as long as they have seniority under the terms of the Agreement.


D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 65907
Dallas, TX 75265-5907

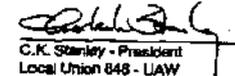
Letter of Agreement 14
Disciplinary Action

This reaffirms the letter dated 1 March 1978 that states:

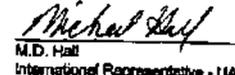
The Parties agreed that those absences under the Eighty Percent Rule referred to in Article X, Section 7.c. of this Agreement between the Parties, will not be used as justification for absences in cases involving disciplinary action pertaining to attendance.


D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 63607
Dallas, TX 75265-6607

Letter of Agreement 15
Reduction of Districts

This reaffirms the letter dated 1 March 1978.

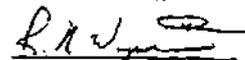
The Parties agree that effective the date of this Letter of Agreement, the following guidelines will be used to reduce the number of districts in the event reduction is warranted under Article IV, Section 1.a(2) of the Agreement:

- A. Reduction of Districts
1. The district with the least number of employees being represented by an employee who is on the payroll in accordance with Article VII, Section 13.b., will be the first reduced.
 2. In the event there are more than one districts having an equal number of employees and being represented by employees on the payroll in accordance with Article VII, Section 13.b., the district with the representative being the farthest out of line of seniority will be reduced.
 3. If there are no districts being represented by employees on the payroll in accordance with Article VII, Section 13.b., the district with the least number of employees will be reduced.
- B. Increase in districts will be accomplished in accordance with Article IV, Section 1.a(1).
- C. Reassignment of employees to a district because of a reduction will be accomplished by assigning them to the district which has boundaries that border the greater amount of the district eliminated, unless otherwise agreed.
- D. Elimination of a district will not be effective earlier than three (3) days following notification to the Union.


D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW

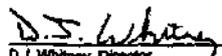

M.D. Hall
International Representative - UAW



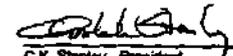
Vought Aircraft Industries, Inc.
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Dallas, TX 75265-6607

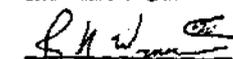
Letter of Agreement 16
401(k)

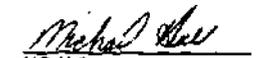
The parties recognize the value to employees of the 401(k) plan. This letter will document the parties' intent to work together to educate bargaining unit employees on the features and benefits of participation in the 401(k) plan. To that end, the parties will jointly explore investment objectives and other important elements to educate employees on the merits of saving for future goals.


D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



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Post Office Box 699007
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Letter of Agreement 17
Care 90s Retiree Cost

This letter reaffirms the letter dated 28 March 1996

Retiree medical costs under Care 90s cannot be calculated based on actual experience since Care 90s is not currently offered to retirees. The Parties recognize this fact and understand as well that it is not a sound insurance practice to set the health care insurance premium rate using exclusively the experience of a group with substantially less than 1,000 covered individuals. This Letter of Agreement is written to establish the beginning point for retiree insurance costs and outline the procedure to be used for future cost calculations. In the year following the year in which the average lives covered by Care 90s reaches 1,000 retirees, insurance costs will be based on actual costs for the group and reasonable trend projections based on actual experience.

- For calendar year 1993, the cost for a retiree will be assumed to be \$300 per month and the cost for a family will be an additional \$300 per month.
- The monthly cost for calendar year 1994 will be \$300 increased by the percentage increase in the health care component of the CPI-W plus two percentage points.
- The monthly cost for calendar year 1995 or later will be the lesser of:
 - (1) The prior year's monthly cost increased by the percentage increase in the health care component of the CPI-W plus two percentage points or
 - (2) Actual experience for the latest available 12-month period, increased by the trend factor compounded from the midpoint of the experience period to the midpoint of the following calendar year.
- The percentage increase in the health care component of the CPI-W plus 2 percentage points will be used in place of the trend factor until the covered group reaches 1,000 lives.
- The calculations will be provided to the UAW for review during the month of November each year and will utilize the latest 12 months' claim experience available when the calculation is made. The health care component of the CPI-W change will utilize the same period of time, however, should the CPI-W data not be available, the latest 12 months' available data will be used.
- It is understood that claims data for all retirees and dependents covered under the Care 90s program will be used whether or not such retirees are represented by the UAW.
- The numerator to be used when calculating the monthly cost will be the claims for all Care 90s retirees and dependents. The denominator to be used when calculating the monthly cost will include each retiree as one unit and all dependents of a retiree as one unit.
- The experience for retirees and families will be added together for cost calculation purposes and the amount of cost charged for the retirees will be the same as the additional amount charged for the family.

The above method outlined to calculate Care 90s retiree cost will also be used to determine the cost for company contribution maximum purposes. It is not anticipated that the cost will reach the company contribution maximum for a number of years, and it is agreed that in the unlikely event the contribution maximum is reached during the current Agreement, retirees will not be affected by the \$5,400 annual company contribution maximum before calendar year 1998. It is further agreed that the \$5,400 company contribution maximum will be subject to collective bargaining at the expiration of this 4-year Agreement for all affected retirees who retired from the bargaining unit.

D.J. Whitney
D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01

C.K. Stanley
C.K. Stanley - President
Local Union 848 - UAW

R.K. Wagner III
R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW

Michael Hall
M.D. Hall
International Representative - UAW



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Post Office Box 65907
Dallas, TX 75265-9907

Letter of Agreement 18
Job Families 5040, 5060, 5080, 7000, 7070, 7140
7380, 7441, 7442, 7491, 7501 and 7700

- Active employees will retain all seniority (bump) rights provided for in Article VII, Section 1.c.(1). Further, active employees with 1.c.(1) rights to the job families addressed may exercise those right(s) at time of layoff without regard to the seniority of employees currently on layoff.
- In-plant seniority list will be common - no Indata seniority.
- In the event of an indefinite layoff in the job families addressed, employee will be laid off in seniority order.
- All provisions of Article VII will apply with the exception of Indata seniority.
- The combination of the job classification/job families in questions does not provide for employees currently on layoff to be recalled upon initiation of this Agreement between the parties. Further, this Agreement will not preclude any contractual right subsequent to an employee being recalled.
- In the event of recall, active employees or employees out of plant will be recalled in seniority order to the appropriate classification dictated by the workload.

D.J. Whitney
D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01

C.K. Stanley
C.K. Stanley - President
Local Union 848 - UAW

R.K. Wagner III
R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW

Michael Hall
M.D. Hall
International Representative - UAW



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Post Office Box 65907
Dallas, TX 75265-9907

Letter of Agreement 19
Return to Work

An employee returning from Section 900 must report back to work through the Company's Medical Department. The Medical Department will review the release from the employee's attending physician and will determine what restrictions, if any, the employee has. If there are restrictions placed on the employee, Medical will contact the employee's immediate supervisor or designated operations management to determine if the employee can be accepted with the restrictions.

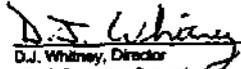
When an employee is unable to perform the essential functions of his job classification due to temporary medical restrictions, the employee may be assigned to other tasks outside his job family within the restrictions of the employee's functional capacity record for up to ninety (90) calendar days in a calendar year. In job families affected by layoff, a limit of sixty (60) calendar days per calendar year will apply and the employees placed will not exceed the number of employees on layoff in the job family. In determining other available jobs the parties shall first examine work within the employees job family, then jobs within job families for which the employee has established bump rights under Article VII, section 1.c.(1)(a) and then any other assignments the employee is capable of performing. The Company will make every effort to place the employee on his respective shift. Should it be necessary to move an employee between shifts, the move will be reviewed every ten (10) days for alternate placement or to place a less senior employee on restrictions in that position. The functions assigned will not be limited to duties covered by the Collective Bargaining Agreement. Temporary medical assignments will not establish Article VII, section 1.c.(1)(a) rights. Employees performing such temporary medical assignments are not eligible for overtime.

The Union will be provided a weekly list (by Name, Clock Number, Unit, Shift, and duties assigned) of employees assigned to such temporary medical assignments. Any concerns of placement will be immediately addressed upon request of the Chairman of the Plant Grievance Committee. If, in the opinion of the Chairman of the Plant Grievance Committee, a single Job Family (affected by layoff) has been disproportionately affected by placements, there will be a 30 day moratorium on additional placements in that Job Family. During such moratorium, the parties will meet to attempt to resolve issue in question.

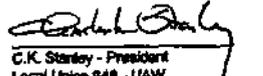
In the event a job is located that meets the employee's medical restrictions and the returning employee refuses to accept the job, the employee will be immediately removed from Section 900 and will be deemed as having voluntarily terminated his employment.

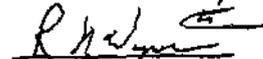
In the event a job cannot be found to accommodate the employee's restrictions, the employee will be retained in Section 900 until he returns to work or eligible benefits are exhausted, whichever occurs first.

If while in Section 900, an employee engages in other employment, that employee will be immediately removed from Section 900, and will be deemed as having voluntarily terminated his employment.


D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 65907
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LETTER OF AGREEMENT 20
FAMILY and MEDICAL LEAVE OF ABSENCE

The parties agree on the following terms and conditions under which a UAW-represented employee may request time off for family leave without pay for a limited period. This Agreement is intended to comply with the Family and Medical Leave Act of 1993 (FMLA) and related regulations. In the event of conflict or inconsistency between any of the provisions of this Agreement or the collective bargaining agreement made and entered into on March 2, 1992, FMLA shall govern. However, if this Agreement or the collective bargaining agreement provide greater leave rights to UAW-represented employees than those rights provided by FMLA, then this Agreement, or the collective bargaining agreement, as the case may be, shall govern.

1.0 DEFINITIONS

- 1.1 Eligibility - To be eligible for family leave, an employee must have been employed for a total of at least 12 months, and must have worked at least 1250 hours during the 12-month period immediately preceding the commencement of the leave. For each regular or normal workday that an employee is in Section 900, on vacation, or on personal/sick leave, such employee will be credited with eight hours solely for purposes of determining eligibility for family leave. However, an otherwise eligible employee who is employed at a worksite where less than 50 employees of the company are employed within 75 miles of that worksite is ineligible for family leave, but such leave may be approved upon the mutual agreement of the company and a committee comprised of (i) the president of UAW Local 848, (ii) the Benefits Coordinator, and (iii) the committeeman for the applicable zone (or the committeeman designated by the union for such purpose).
- 1.2 Family Leave - A leave of absence which may be taken by eligible employees for up to 12 weeks during a 12-month period under the following circumstances:
- Upon the birth of the employee's child and/or to care for such child
 - Upon the placement of a child with the employee for adoption or foster care
 - When the employee is needed to care for employee's child (including step-child), spouse, or parent (including step-parent) who has a serious health condition
 - When the employee is unable to perform the essential job functions because of a serious health condition
- 1.3 Intermittent Leave (Sporadic) - Medically necessary family leave which is taken in separate blocks of time due to a single illness or injury, rather than for one continuous period of time, and may include leave periods from an hour or more to several weeks.

EX: Employee takes 3 hours one week and 12 hours the next week.

- 1.4 Reduced Leave (Scheduled) - Medically necessary family leave that reduced an employee's usual number of working hours per workweek, or hours per work day.

EX: Employee leaves every Tuesday and Wednesday at 3:00 p.m.

- 1.5 Overtime - Time away from work without pay during intermittent or reduced leave will be considered as "time worked" or "work performed" solely for purposes of calculating and paying overtime under the collective bargaining agreement.
- 1.6 12 - Month Period - The period within which the 12 weeks of leave entitlement occurs as determined by a "rolling" 12-month period measured backward from the date an employee uses any leave. Accordingly, each time an employee takes an approved family leave, the remaining leave entitlement will be any balance of the 12 weeks which has not been used during the immediately preceding 12 months.

2.0 GENERAL

- 2.1 Leave taken for the birth of a child and/or to care for such child, or for placement of a child for adoption or foster care, expires at the end of the 12-month period beginning on the date of the birth or placement of a child.
- 2.2 The company will require medical certification to support a request for leave due to the serious health condition of the employee or the employee's child, spouse or parent. In the case of foreseeable leave, an employee who fails to provide certification within 15 days from the date leave is requested may be denied the taking of leave until the required certification is provided. When the need for leave is not foreseeable, an employee must provide certification within 20 days after the date of the company's request or as soon as reasonably possible under the particular facts and circumstances. If an employee fails to provide a medical certification, the company will deny the employee's continuation of leave.
- 2.3 At its discretion, the company may require a second medical opinion at its own expense. If the first and second opinions differ, the company, at its own expense, may require the binding opinion of a third health care provider, approved jointly by the company and the union.
- 2.4 If medically necessary due to a serious health condition of the employee or employee's spouse, child or parent, leave may be taken intermittently or on a reduced leave schedule. However, the employee must attempt to schedule the leave so as not to disrupt company operations. If intermittent leave or leave on a reduced leave schedule is requested, the company will require medical certification. Where an employee takes leave on an intermittent or reduced leave schedule, only the amount of leave actually taken is counted toward the 12 weeks of leave to which an employee is entitled.

- 2.5 Leave is unpaid, except that an employee's earned or accrued paid vacation or paid personal/sick leave may at the employee's option be substituted for all or part of any otherwise unpaid leave under this Agreement.
- 2.6 Based on information provided by the employee, the company may designate leave, whether paid or unpaid, as family leave for purposes of this Agreement. The company's designation will be made before the leave starts, or before an extension of the leave is granted, unless the company does not have sufficient information as to the employee's reason for taking the leave until after the leave commenced. If either the company or the employee designates leave as family leave within the meaning of this Agreement after the leave has begun, the entire or some portion of the paid leave period may be retroactively counted as family leave, to the extent that the leave period counted as family leave.
- 2.7 When the need for leave is foreseeable, such as the birth or adoption of a child, or planned medical treatment, the employee must provide at least 30 days prior notice before family leave is to begin. However, if 30 days notice is not practical, then notice must be given as soon as practical. If an employee fails to give 30 days' notice for foreseeable leave with no reasonable excuse for the delay, the company may deny the taking of family leave until at least 30 days after the date the employee provides notice to the company.
- 2.8 When the need for family leave, or its approximate timing, is not foreseeable, an employee should give notice to the company of the need for family leave as soon as practical under the facts and circumstances.
- 2.9 The company will require an employee on approved leave to report bimonthly to Labor Relations on the employee's status and intent to return to work.
- 2.10 Any employee who is granted an approved leave of absence under this procedure is entitled to continued coverage under the company's health care plan, life insurance plan, and the health care account of the Benefit Bank during the period of unpaid absence on the same basis as coverage would have been provided if the employee had been continuously employed during the period of leave.
- 2.11 With respect to any life insurance coverage which was continued during any period of unpaid leave, the company may recover from the employee any premium payments made on the employee's behalf to maintain coverage during such period, whether or not the employee returns from leave. With respect to any health care coverage which was continued during any period of unpaid leave, if an employee fails to return to work for a period of at least 30 calendar days after any approved leave has been exhausted or expires, the company may recover from the employee the company's share of allowable "premiums" as would be calculated under COBRA, excluding the 2% fee for administrative costs. However, the company will not recover such COBRA premiums if the employee's failure to return to work for such 30-day period is due to:
- 2.11.1 The continuation, recurrence, or onset of a serious health condition of the employee or the employee's immediate family member which would

entitle the employee to leave under this Agreement. The company will require medical certification of the employee's or the family member's serious health condition. The employee is required to provide medical certification within the 30-day period, then the company may recover the COBRA premiums during the period of unpaid leave.

2.11.2 Other circumstances beyond the employee's control (as approved by the company).

2.12 Under the terms of the retirement plan, any period of approved leave will be treated as continuous service (i.e., no break in service) for purposes of vesting, eligibility and benefit accrual.

2.13 At the conclusion of an approved leave, an employee's right to return to work shall be governed by the applicable terms of the collective bargaining agreement.

3.0 PROCEDURE

Responsibility	Action
Employee	3.1 Discuss need for family/medical leave with UAW Benefits Coordinator, supervision and Labor Relations.
Labor Relations	3.2 Determine eligibility for leave. If eligible, give employee appropriate forms.
Employee	3.3 Complete appropriate application and have Medical Certification form completed and signed by physician, if appropriate.
	3.4 Submit completed forms to Labor Relations.
	NOTE: Forms should be submitted 30 days prior to the effective date of the leave whenever possible. In an emergency situation, notify immediate supervision as soon as possible.
Labor Relations	3.5 Review forms for completeness. Forward original Medical Certification, if any, to Medical Services.
Medical Services	3.6 Review adequacy of Medical Certification.
	3.6.1 If Medical Certification substantiates employee's request for leave, inform Labor Relations.
	3.6.2 If it is questionable, set up independent

Responsibility	Action
	medical exam.
	3.7 Receive report from independent medical examiner. Report findings to Labor Relations.
Labor Relations	3.8 Approve or deny leave
	3.8.1 If leave is denied, notify employee and the union.
	3.8.2 If approved, prepare Status Change Notice (SCN) per P.I. A232.1.
	3.9 Sign SCN and distribute copies as appropriate.
	3.10 Circulate SCN to appropriate management
	3.11 Forward copy of SCN to supervision.
	3.12 Require employee to complete form for benefit elections. Forward benefit election form to Payroll.
Payroll	3.13 Receive benefit form and collect benefit premiums as directed.
Employee Services	3.14 Enter SCN information into Employee Information System.
Supervision	3.15 Verify time with DACOL representative.
Labor Relations	3.16 Monitor status of leave and employee's intent to return to work. For leave which is taken Intermittently or on a reduced leave schedule, and where three months have elapsed since start of leave on such basis, request medical recertification at reasonable intervals.
	3.17 If continuation of leave is denied or expires, inform employee, union and supervisor. Notify employee of return to work effective date.
	3.18 Follow SCN process stated above to terminate leave status.
Employee	3.19 Return to work on effective date specified by Labor Relations.
Labor Relations	3.20 Return employee to work in accordance with the collective bargaining agreement.

LETTER OF AGREEMENT 20
FAMILY and MEDICAL LEAVE OF ABSENCE

D.J. Whitney
D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01

C.K. Stanley
C.K. Stanley - President
Local Union 848 - UAW

R.K. Wagner III
R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW

Michael Hall
M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 656007
Dallas, TX 75265-9007

Letter of Agreement 21
Financial Secretary

The parties agree that, in the event that a bargaining unit employee is elected Financial Secretary of Local 848 of the UAW, such employee shall be entitled to paid leave for the purpose of performing the functions of that office. Such pay will be the Financial Secretary's hourly base rate of pay for forty (40) hours per week and will exclude any shift or premium pay. No overtime or expenses will be paid by the company.

The Financial Secretary will remain an employee of the Company and will be eligible for all employee benefits provided to employees in the bargaining unit. Any performance award payments paid to employees of the bargaining unit will also be paid to the Financial Secretary. The Financial Secretary will make him/herself available, at reasonable times and upon reasonable notice, for the meetings with appropriate company officials to address any issues relating to the resiliance of dues or similar disputes arising under the terms of the agreement.

D.J. Whitney
D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01

C.K. Stanley
C.K. Stanley - President
Local Union 848 - UAW

R.K. Wagner III
R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW

Michael Hall
M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 65907
Dallas, TX 75265-5907

Letter of Agreement 22
New Hire Orientation

This reaffirms the letter dated 2 March 1981 that states:

The Company agrees to make available a five (5) minute time segment at the end of its current new employee orientation program for a self-contained UAW presentation. This presentation will be mutually agreed to by the Company and the Union.

D.J. Whitney
D.J. Whitney, Director
HR&A Customer Support
EEO, and Ethics

Date: 2-1-01

C.K. Stanley
C.K. Stanley - President
Local Union 848 - UAW

R.R. Wagner III
R.R. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW

Michael Hall
M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
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Letter of Agreement 23
New Technology

The application of technological advancements is recognized by the Union and the Company as being essential to both the Company's growth and ability to compete and to the continued improvements of the standard of living of employees covered by the parties' Collective Bargaining Agreement.

The term "new technology" will be defined as the installation of automated manufacturing machines, robots and computer-aided manufacturing systems which cause the direct elimination of work which has been performed manually by an hourly-represented employee. As a result, recognizing that future technological changes will occur and that such future changes cannot be definitized at this time, the Company agrees:

1. That with the introduction of "new technologies" it is important that advanced planning be made to anticipate substantial changes that would eliminate or consolidate jobs, require new skills or substantial retraining. Therefore, at the time such substantial technological changes which affect bargaining unit employees are defined, discussions with the Union will be held. The discussions will be with the President, Chairman, and Zone Committeemen for affected areas. Upon determination that the impact of the change is "new technology" as defined in this Agreement, the Parties may establish a joint sub-committee(s), hereinafter referred to as joint new technology committee(s). The joint new technology committee(s) will be established by mutual agreement to study specific issues, make recommendations, and complete actions as mutually directed by the Parties.

When it is mutually agreed by the Parties to establish a joint new technology committee(s), the Union will appoint up to three (3) members and the Company will appoint up to three (3) members. The Committee(s) may request a maximum of two (2) additional temporary members if deemed necessary. It is further agreed that appointees to the joint new technology committee(s) will be individuals from the affected area(s) which are knowledgeable of the operation(s) where the new technology will be implemented. The joint new technology committee(s) will be under the oversight of the Plant Grievance Committee and the Director - Labor Relations.

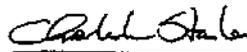
2. When new hourly-rated jobs are instituted by the Company in accordance with Article IX, Section 1.b. of the Collective Bargaining Agreement, as a result of such technological changes the Company will counsel affected bargaining unit employees in their efforts to obtain additional or update existing skills commensurate with the technological change so they can be considered for placement in such new jobs.

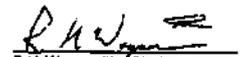
3. While the Company does not anticipate vast reductions in the workforce due to new technology, if a reduction will result from the introduction of such new technology, the Company will make every reasonable effort to achieve such reduction through normal attrition due to quits, deaths and retirements.

The Company considers this letter as its commitment to a significant effort by both Parties to ensure job security for employees as technology advances.


D.J. Whitney, Director
HR&A Customer Support
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
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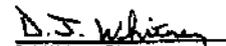
Letter of Agreement 24
Shift Preference Areas

For the purpose of shift preference, as defined by the Collective Bargaining Agreement, superintendent/manager groups will be per agreed to matrix.

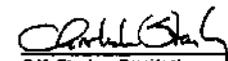
In those areas requiring special access or clearances, the area in question will be treated as a separate and independent area for shift preference. Furthermore, shift preference will not be recognized between facilities unless mutually agreed to by the Parties.

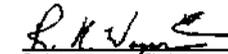
When new programs are introduced, the Company and Union will discuss the organizational structure and how it may develop in an attempt to resolve any questions involving shift preference areas.

This Agreement will expire at the expiration of the Collective Bargaining Agreement.


D.J. Whitney, Director
HR&A Customer Support
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
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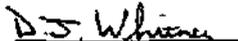
Letter of Agreement 25
Days Off - Powerhouse

An employee may request a transfer to specified days off when the days in question are held by a less senior employee; same plant location, within his job classification. The transfer will be made only if the employee initiating such request and the employee being affected are qualified to perform the duties assigned.

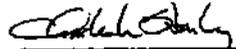
The transfer will be made within thirty (30) days from date of request when employees are qualified to perform the work at the respective stations.

An employee may exercise a bump to different days off after nine (9) months on the schedule to which he bumps.

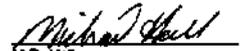
The Company will familiarize employees in order not to circumvent this understanding.


D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
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Post Office Box 659007
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Letter of Agreement 26
Inclement Weather Shutdown

The Parties understand and agree to the necessity of shutting down plant operations due to inclement weather. The Parties, by way of this Letter of Agreement, hereby resolve certain concerns involving plant shutdown due to inclement weather. This understanding is set forth below:

The Company closely monitors weather and road conditions during winter storms to determine whether plants are to be closed or will remain open.

When a decision is made to close the plant, Communications will notify the following radio stations with an announcement for early broadcast at least one hour in advance of shift start or as soon as possible:

RADIO STATIONS / FREQUENCY	TV STATIONS	
	AM	FM
WBAP	820	KDFW - Channel 4
KRLD	1080	KXAS - Channel 5
KVIL	103.7	WFAA - Channel 8
KPLX	99.5	KCTX - Channel 11
KKDA	104.5	

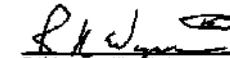
It is the responsibility of each employee to monitor one of these stations to determine their work situation.

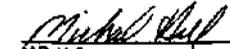
If the Company facilities are closed, employees may elect to take vacation, sick/personal pay, or a nonpaid excused absence. If the facilities remain open, employees are expected to report to work.


D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01


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Local Union 848 - UAW


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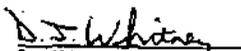


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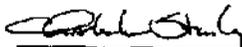
Letter of Agreement 27
Health Maintenance Organizations (HMOs)

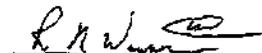
This letter replaces the letter dated 23 June 1988.

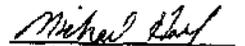
The Parties are concerned that some HMOs have had a history of attempting to disenroll employees or refuse reenrollment at the next open enrollment period. By this Letter of Agreement, the Company is authorized to negotiate with the HMOs and not offer any HMO that does not satisfactorily notify the Company in advance of an attempt to disenrollment procedures.


D.J. Whitney, Director
HR&A Customer Support
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
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International Representative - UAW



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Post Office Box 656907
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Letter of Agreement 28
Reemployed Retirees

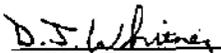
This letter replaces the letter dated March 28, 1996.

With respect to the reemployment of bargaining unit retirees, the Parties recognize that under certain business conditions the Company may have the necessity to rehire retirees. It is also understood that in no event will more than fifty (50) reemployed retirees be in the bargaining unit at the same time.

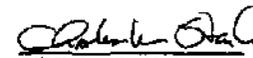
The Parties agree that while an active employee, the reemployed retiree will be covered by active employee benefits. Upon re-retirement, the employee will revert to the retiree health care plan provisions in effect on the date of the employee's original retirement. Life insurance and lump sum death benefits will be based on the benefits in effect at the time of the new retirement plan.

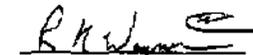
The reemployed retiree will be required to make a selection from the two options listed below as to the status of their retirement payments under the UAW Hourly Retirement Plan:

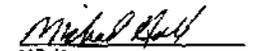
- (1) The reemployed retiree may request that their monthly retirement payment be suspended, effective the first of the month following their reemployment. At such time the reemployed retiree decides to retire, their retirement calculation will be the cumulative total of their years of service used in their first retirement calculation actuarially adjusted for the period of suspension, and their years of service acquired during their current employment period calculated at the benefit rate in effect when the reemployment ceases. Retiree medical coverage contingent on combined age and years of service at future retirement. (age 62 and 10 years of service)
- (2) The reemployed retiree may elect to continue receiving their monthly retirement payments. At such time the reemployed retiree decides to retire, their service acquired during their current employment period will be calculated at the current rate in effect at that time.


D.J. Whitney, Director
HR&A Customer Support
EEO, and Ethics

Date: 2-1-01


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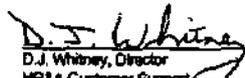
Vought Aircraft Industries, Inc.
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Letter of Agreement 29
Major Maintenance Subcontract Meeting

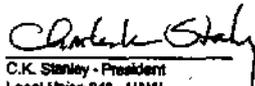
Vought Aircraft Company and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW and its Local Union 848 agree as set forth below on questions pertaining to the conduct of a regularly scheduled meeting during which the parties will discuss the subcontracting/potential subcontracting of major maintenance or facilities construction work. Meetings will be held beginning at 2:30 p.m. on Wednesday, July 20, 1988, and thereafter every other Wednesday at 2:30 p.m. unless requested otherwise by either party. The meeting will be held in a place designated by Company Labor Relations and attended by the Chairman of the Plant Grievance Committee, the Committeeman representing employees of the Maintenance units, a member of the Company's Labor Relations Department, a representative of the Company's Maintenance Department, and a representative of the Company's Facility Department. The meeting will be chaired by Labor Relations.

At such bi-weekly meeting, Labor Relations and the other Company representatives will review the major maintenance or facilities construction work subcontracts, if any, then in progress and review any potential future subcontracts of major maintenance or facilities construction work of which the Company has knowledge. Union representatives may ask questions or make comments concerning such reviewed information, as well as make suggestions on how the Company might otherwise consider accomplishment of the work.

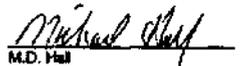
These bi-weekly meetings will insure open communications between the Parties, provide the Union the opportunity to express any concerns for Company consideration, and insure each party understands the circumstances of any subcontracting of major maintenance or facilities construction work.


D.J. Whitney, Director
HR&A Customer Support
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW

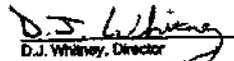

M.D. Hall
International Representative - UAW



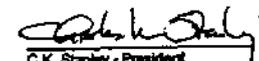
Vought Aircraft Industries, Inc.
Post Office Box 65907
Dallas, TX 75265-6907

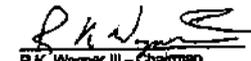
Letter of Agreement 30
Skilled Trades Recognition Program

Following the contract negotiations, the Company and the Union herewith agree to discuss and determine the feasibility of a skilled trades recognition program, and if appropriate, seek to negotiate a mutually acceptable program.


D.J. Whitney, Director
HR&A Customer Support
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 652007
Dallas, TX 75265-6007

Letter of Agreement 31
Substance Abuse Testing Program
Effective 2 October 2000

The Parties to this Agreement, UAW Local 848 and Vought Aircraft Industries, Inc wish to cooperate in making our workplace a safe environment and our workforce a productive one for the benefit of all the Parties, our customers and our community.

To that end the Company affirms that it will zealously administer and conduct its drug testing programs to ensure that:

- The dignity and privacy of those tested will be safeguarded to the maximum extent possible.
- The program may not be used for any purpose except the achievement of a drug-free workplace and workforce.
- It will continue to employ the rigorous controls, safety checks and quality control measures that are employed in testing other segments of the workforce.

For its part, the Union (UAW Local 848) agrees to support the Substance Abuse Testing Program described herein. All parties agree that their mutual interests will be best served in adopting this program to achieve the goal of a drug-free workplace and workforce.

Section 1. Purpose

To define substance abuse testing practices to provide a drug-free workplace/workforce for all employees.

Section 2. Policy

It is the policy of the Company to hire/employ only individuals who do not use illegal drugs or other controlled substances in any amount or frequency, unless properly prescribed for them by their physician. The term "illegal drugs" means controlled substances included in Schedules I through V as defined by Section 202 of the Controlled Substances Act (21 U.S.C. 812), the possession of which are unlawful, and include amphetamines, barbiturates, benzodiazepines, cannabinoids, cocaine, methadone, methaqualone, opiates, phenocyclidine and propoxyphene. The Company will not arbitrarily change the current list of drugs being tested. In the event the Company deems it appropriate to change the list of drugs being tested (Substance Abuse Panel-10), the Company will consult with the Union at least thirty (30) days prior to any change. In the event the parties do not agree on the proposed change, such change will not take effect until the issue can be resolved by a mutually satisfactory third party. The term "illegal drugs" does not include controlled substances obtained and used pursuant to a valid prescription or as otherwise authorized by law. Human Resources will administer the following "Substance Abuse Testing Program." The Substance Abuse Testing Program will apply to the following individuals:

- a) All UAW represented new hires, recalls, rehires, and reinstatements will be tested as part of the Company's pre-employment review requirements. If the employee has not been absent from the payroll for thirty (30) days or more, this provision will not apply.
- b) All UAW represented employees will be subject to systematic random testing without notice and after a positive test, accelerated testing under Section 4.c.
- c) All UAW represented employees will be tested for cause based upon a reasonable suspicion to believe that such persons are under the influence of illegal drugs, after involvement in accidents or potentially dangerous near-miss accidents which could be attributed to substance abuse or whose performance is impaired and who exhibit behavior consistent with substance abuse.

Section 3. General Procedures

- a) Urinalysis drug screen tests consist of an Initial Enzyme Multiplied Immunoassay Technique (EMIT) screen, confirmed by Gas Chromatography/Mass Spectrometry (GC/MS). Such testing will be conducted by a U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA) (formerly NIDA) certified laboratory. The screening parameters and cut-off levels for both test categories are published by SAMHSA.
- b) Individuals to be tested will complete and sign an Authorization and Release Form (Attachment 1), listing prescribed and over-the-counter medications taken within the last thirty (30) days. Failure to sign an Authorization and Release Form or to provide a sample in accordance with the procedures set forth herein will be considered failure to successfully complete the substance abuse test and will be reason for disciplinary action up to and including discharge.
- c) The collection of individual urine samples and the testing of same will be supervised by Company-designated medical personnel and collection/testing facilities in a manner consistent with the following standards:
 - (1) Urine samples will be collected from individuals in such a manner as to ensure the integrity of the testing process.
 - (2) Special containers will be provided for specimen collection.
 - (3) Suitable, sanitary and private facilities will be provided for the collection of urine specimens.
 - (4) Sample collection will be supervised, but not witnessed. An enclosed stall will be provided to ensure privacy of the individual.
 - (5) The Vought Medical Department clinic manager or approved designee will immediately review all situations where there is reasonable suspicion that an individual has submitted a suspicious or potentially adulterated sample. When the Medical Department or its approved designee determines an original sample to be suspicious, that sample shall immediately be set aside as unsuitable for testing and the individual must submit another sample before leaving the collection site. Samples may be considered suspicious or potentially substituted or adulterated if the urine temperature registers below 90° or above 100° within four minutes, and/or the sample imparts a suspicious odor or abnormal appearance.
 - (6) Container will be sealed with tamper-evident tape in the presence of the individual tested.

- (7) Specimens will be labeled and checked to ensure that the name on the label matches the name on the Authorization & Release Form and the Chain of Custody Requisition Form.
 - (8) The label will be signed by the individual.
 - (9) The Chain of Custody Requisition Form and the Authorization and Release Form will be kept on file for one (1) year from the date of testing for a positive specimen and one (1) month from the date of testing for a negative specimen.
 - (10) The lab will relay test results to the Medical Review Officer who will personally discuss lab tests reported positive with the individual. If the Medical Review Officer determines the positive test is the result of legal usage, the test will be reported as negative. Only results certified as positive by the Medical Review Officer will apply in Section 4, below.
- d) Test results will be handled as "Company Private" information and are not to be communicated outside the Company, except as required by contract or law. Currently, these requirements are clearance reporting requirements and court orders.
 - e) Individuals who test positive may request, within thirty (30) days of being notified of their results, a re-confirmation test on the same biological specimen, to be conducted by a SAMHSA certified testing facility at the individual's expense. Such re-confirmation testing only uses the GC/MS method, and only tests for the presence of the drug(s) and/or drug metabolites in question. The presence of those drug(s) and/or drug metabolites at any detectable level by GC/MS, without regard to the previous screening and confirmation test cutoff levels, is considered a positive result. In the unlikely event the test results are negative, the Company will reimburse the employee for laboratory testing charges.
 - f) If there is a reasonable suspicion of a faulty specimen or if the laboratory report shows evidence of an "abnormality" in the specimen, Vought Medical may request a retest. The Vought Medical Review Officer will provide the employee with an explanation for the retest.
 - g) The following actions are considered major disciplinary offenses, and are equivalent to a positive test result for purposes of determining subsequent disciplinary actions and processing in accordance with Section 4 below: (1) repeated refusal to cooperate with the testing procedures, (2) laboratory documentation of substitution or adulteration of a test sample; (3) failure to report for testing within a reasonable amount of time after being notified of a random drug test.

Section 4. Positive Test Results

- a) Positive test results are communicated to the employee in person by the Medical Review Officer and negative results are communicated via personal and confidential memo.
- b) If the Medical Review Officer is convinced the positive test results are the result of a one (1) time usage of a valid prescription issued to a member of the employee's immediate family, the test results will be pending and the employee will be subject to accelerated unannounced testing for the next ninety (90) day period.
- c) Employees who test positive will be placed on unpaid suspension for five (5) working days and in addition, during the five (5) day period, will be required to seek help from a company-directed counseling and assistance program or a company-approved drug treatment program prior to being allowed to return to work. The employee will be required to read and sign a Return-To-Work Conditions Form (Attachment 2).

- d) The employee will be subjected to regular random drug tests as well as an accelerated schedule of unannounced and unannounced tests, for two (2) years following his or her return to work. For the purpose of calculating two (2) calendar years, any period of time spent on layoff or on vacation will count towards the satisfaction of the two (2) year testing period. Notwithstanding the foregoing, an employee will not be considered to be "subject to testing" during any period of time on layoff or in Section 900 in excess of thirty (30) consecutive days. Accordingly, the employee shall be subject to an additional period of accelerated unannounced testing equal to any such period(s) spent in Section 900. The two (2) year period does not constitute an employment contract or other guarantee of employment during such period.
- e) The employee who tests positive again under c., above, will be discharged.

Section 5. Recalled Employees

- a) All laid off employees with recall rights who have been absent from the payroll for at least thirty (30) days and who are offered employment in accordance with Section 2 of Article VII of the Collective Bargaining Agreement, shall report to the plant Medical Department for a drug test.
- b) A laid off employee who tests positive within a two (2) year period from the date of a previous positive test will be denied recall and lose all seniority.
- c) A laid off employee who tests positive beyond the two (2) year period of a previous positive test or an employee who tests positive who was not on accelerated drug screening at the time of layoff will be denied recall and bypassed for a thirty (30) day period beginning on the date the positive test results are communicated, during which time the individual should seek help from a drug counseling or treatment program. Upon the expiration of the thirty (30) day period, the individual shall again report to the plant Medical Department for a drug test. If the individual again tests positive, he/she will be denied recall and lose all seniority. If the individual tests negative, he/she will be returned to work but subjected to regular random drug tests as well as an accelerated schedule of unannounced and unannounced tests for two (2) years following his/her return to work.

Section 6. Testing For Cause

- a) When there is reasonable suspicion to believe an individual's behavior has been impaired by substance abuse or after involvement in an accident which caused a bodily injury of more than minor cut(s), contusion(s), or abrasion(s) or property damage of twenty-five thousand dollars (\$25,000) or more, the employee will be subject to the above testing procedures.
- b) Prior to the authorization of a "reasonable cause" drug test, the Medical Department's professional judgment must indicate a need for such test. The Director of Human Resources Customer Support (CSR's) and the Chairman of the Plant Grievance Committee will discuss the issue before a drug test is to be administered on a "reasonable cause" basis, and if concurrence is not obtained, the employee will give a sample, but it will not be submitted to the laboratory until the issue is resolved through the grievance procedure.
- c) Nothing in this policy will preclude the Company from taking action against the employee warranted by other policies, procedures, rules of conduct, etc.

Section 7. Testing Responsibility

- a) Medical informs supervision in a timely manner of employees selected for substance abuse testing.
- b) The supervisor has the employee read the instruction letter and fill out an Authorization and Release Form. The employee is sent to Medical.
- c) Medical has the employee sign the Authorization and Release Form and collects a sample as specified in the General Procedures section.
- d) The Company's Medical Review Officer receives test results, confirms test results, notifies employee(s), and communicates positive test results to the Director of Customer Support or designated representative.
- e) If a test result is a Medical Review Officer confirmed positive, Medical notifies the appropriate CSR for action as outlined in Section 4.
- f) Customer Support notifies Security of positive results when the employee has a security clearance.
- g) Customer Support notifies the EAP Coordinator of applicable positive test results so that coordination with the EAP provider can be established.
- h) The Company Medical Director is authorized to release individual employee test results to Security when the employee is being submitted for a security clearance.

D.J. Whitney
D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01

C.K. Stanley
C.K. Stanley - President
Local Union 848 - UAW

R.K. Wagner III
R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW

Michael Hall
M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 658077
Dallas, TX 75269-8077

Letter of Agreement 32
Paycheck Notices

The Parties agree that on the Friday preceding a state and/or federal election a notice will be distributed by payroll with each paycheck as a reminder of the upcoming election.

D.J. Whitney
D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01

C.K. Stanley
C.K. Stanley - President
Local Union 848 - UAW

R.K. Wagner III
R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW

Michael Hall
M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 659807
Dallas, TX 75265-9807

Letter of Agreement 33
Vacation for UAW Transfers

This letter reaffirms the letter dated 23 June 1988.

It was agreed during 1988 contract negotiations that transfers from the bargaining unit will not transfer vacation into the bargaining unit in excess of the lesser of:

- A. Vacation payable and/or accrued on the date of the transfer to the bargaining unit.
- B. Vacation that would have been payable or accrued had the employee not transferred from the bargaining unit. Vacation taken will be used in the calculation.

EXAMPLE A

Employee "A" transfers to the salaried payroll on July 1.

At the date of transfer, employee "A" had 20+ years of vacation service.

Employee "A" had 20 days of vacation to be taken before the subsequent January 1, and had accrued 10 days of pro-rata which would have been available for use after the subsequent January 1.

Employee "A" takes 10 days of vacation in the following September.

On October 1 (3 months after transfer to salary), Employee "A" transfers back into the bargaining unit.

Employee "A" transfers back into the bargaining unit 10 days of vacation to be taken before the following January 1, and 13 days of pro-rata vacation. Ten of the pro-rata days were accrued as hourly before the transfer to salaried, and 3 of the days were accrued as salaried. Employee "A" was allowed to transfer his full current and accrued vacation since it was not more than he would have had by remaining in the bargaining unit.

EXAMPLE B

Employees transferring into the bargaining unit will have no vacation until earned under Article X, Section 8.

D.J. Whitney
D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01

C.K. Stanley
C.K. Stanley - President
Local Union 648 - UAW

R.K. Wagner
R.K. Wagner II - Chairman
Plant Grievance Committee
Local Union 648 - UAW

M.D. Hall
M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 659807
Dallas, TX 75265-9807

Letter of Agreement 34
Dependent Life Insurance

This letter replaces the original letter dated 15 February 1982 and reaffirmed 23 June 1988.

It was agreed by the Parties during the 1981 negotiations that provisions would be made for offering dependent life insurance to employees covered by the Collective Bargaining Agreement. (Reference Article XX, Section 2.d).

Following is a description of the Dependent Group Life Insurance Program to be offered to eligible employees beginning March 1, 1982.

1. Eligibility Date

An employee will become eligible for Dependent Group Life Insurance on March 1, 1982, provided that the employee has at least one eligible dependent as defined in Section 3, below. If the employee does not then have such a dependent, the employee will become eligible for Dependent Group Life Insurance on the first day of the calendar month following the date a dependent is acquired.

The date that the employee becomes eligible for Dependent Group Life Insurance will be hereinafter referred to as the employee's eligibility date.

2. Enrollment and Effective Dates

The employee's Dependent Group Life Insurance will become effective as set forth below:

- a. If the employee enrolls on or before the eligibility date, insurance becomes effective on the eligibility date.
- b. If the employee enrolls during the 31-day period following the eligibility date, insurance becomes effective on the first day of the calendar month following the date of enrollment.
- c. If the employee enrolls subsequent to the 31st day following eligibility, the employee must furnish evidence satisfactory to the insurance company of each dependent's good health. In such case, insurance will become effective on the first day of the calendar month following the date the insurance company approves the evidence, with respect to those persons whose evidence has been approved and who are still eligible dependents, as defined in Section 3., below.

In any event, for insurance to become effective, the employee must be actively at work on the date insurance would otherwise become effective. If the employee is not actively at work on such date, insurance becomes effective on the date the employee returns to active work, provided the employee is then still eligible as set forth in Section 1., above.

3. Definitions of dependents are the same as the health care definitions, provided that employees' spouses who are also employees of the Company may be covered by this Dependent Life Insurance until such time as the insurance company elects not to provide the dependent

coverage due to a conflict of state insurance laws. Coverage will remain in effect until the conflict is explained to the employee in writing by the insurance company and premiums are discontinued.

4. Amount of Insurance

The amount of Dependent Group Life Insurance applicable to each dependent is as follows:

	Amount of Insurance	Amount of Insurance Effective 3/2/92
Spouse	\$5,000	\$7,500
Child (over 6 months of age)	2,000	3,000
Child (via birth through 6 months of age)	500	500

5. Contributions

The employee will contribute the full cost of Dependent Group Life Insurance and contributions will be payable monthly in advance. Coverage for this insurance is fully pooled and not eligible for dividends of any manner. The required monthly contribution, regardless of the number of dependents on whose account the employee is insured, is as set forth in the following schedule, which is subject to change. An employee who elects to participate will complete a payroll deduction card authorizing weekly payroll deductions. When a participant is not receiving weekly payments, it is the employee's responsibility to transmit the appropriate payment to Payroll. In the event the participant fails to make the required payment as outlined in Section 7, the coverage will terminate and the employee may reapply for coverage only by furnishing satisfactory evidence of good health as required in Section 2.

Schedule - Cost Per Dependent Unit Per Week (subject to change annually based on experience)

Over 50% Enrollment	Below 50% Enrollment
\$.48	No Plan

6. Payment of Benefits

If a dependent dies from any cause while the employee is insured for Dependent Group Life Insurance, the amount of such insurance in force on account of the dependent will be paid in a lump sum to the employee (the employee is the beneficiary for Dependent Group Life Insurance). The employee's insurance certificate will set forth the procedure for payment of insurance in case a dependent dies subsequent to the death of the employee.

This insurance is term insurance without cash, loan or paid-up values.

7. Cessation of Insurance

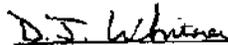
Dependent Group Life Insurance will automatically cease on the earliest of the following:

- The date the employee ceases to have a dependent as defined in Section 3., above.
- The date the employee ceases to be insured for Company life insurance.

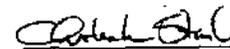
- If the employee fails to make a required contribution for Dependent Group Life Insurance when due, the last day of the calendar month immediately preceding the calendar month for which such contribution was due.
- The last day of the calendar month in which the employee attains age 70.
- The date of discontinuance of the Dependent Group Life Insurance.
- The date the dependent begins active duty in the armed forces of any state.
- The date the dependent becomes insured as an employee on a regular full-time basis.

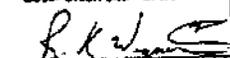
The Dependent Group Life Insurance on account of any dependent will automatically cease on the day immediately preceding the date such person ceases to be a dependent as defined in Section 3., above.

- Conversion privileges are the same as the employee group life provisions.


D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 95907
Dallas, TX 75295-5907

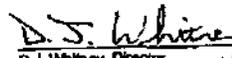
Letter of Agreement 35
Dignity in the Workplace Coordinator

It was agreed in 1989 collective bargaining that there will be a Sexual Abuse Coordinator (name changed to Dignity in the Workplace Coordinator in 1992 negotiations) for collective bargaining unit employees. The Union will designate and secure Company agreement with the person to serve in this capacity. Once designated, the Dignity in the Workplace Coordinator will work with the Company on any identified sexual harassment related issues within the bargaining unit, will have the authority to request investigations by Security Administration, and collective bargaining unit employees will be allowed access to the Dignity in the Workplace Coordinator on Company time. The Dignity in the Workplace Coordinator will be allowed reasonable time of Company expense to perform in this capacity, however, the Coordinator will not perform these activities in an overtime situation.

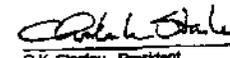
The following guidelines outline the working procedure between the UAW Dignity in the Workplace Coordinator, Security, Labor Relations and Employee Relations.

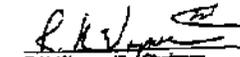
- Sexual harassment allegations will be investigated by Security. When Security is advised of an allegation involving a UAW-represented employee, the UAW Dignity in the Workplace Coordinator will be contacted prior to any investigation.
- Security and the Dignity in the Workplace Coordinator will exchange known information and will discuss the direction of the planned investigation including who will be interviewed.
- The UAW Dignity in the Workplace Coordinator will be involved in all interviews involving bargaining unit employees and interviews of non-bargaining unit employees where allegations have been made against bargaining unit employees.
- It is not necessary for the Dignity in the Workplace Coordinator to be present in interviews with salaried employees where no allegations have been made against bargaining unit employees; however, if there are bargaining unit witnesses to be interviewed, the Dignity in the Workplace Coordinator will be present during the witness interviews.
- Once the investigation involving represented employees is complete, the total file will be discussed with the UAW Dignity in the Workplace Coordinator prior to its release to Employee Relations and Labor Relations for disposition. Security will not provide the Dignity in the Workplace Coordinator with copies of statements.
- The complete file will be discussed with the Chairman of the Plant Grievance Committee, and copies will be provided in a timely manner.

Letter of Agreement # 35 - Dignity in the Workplace Coordinator


D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 65507
Dallas, TX 75265-6907

Letter of Agreement 36
Workforce Diversity

The Parties agree that to remain competitive in today's market place, it is critical to continue to maintain a workplace that values, understands, respects and best utilizes the diversity of Vought employees. As our workforce continues to change, it is the desire of both parties to recruit, employ, train, transfer, and advance people regardless of their race, color, religion, gender, mental or physical disabilities, national origin, age, military status, or any other characteristics that makes us different from one another.

Due to the priority both parties place on workforce diversity, a joint effort will be made to establish and coordinate a Workforce Diversity Team. This team will meet six (6) times a year and will accomplish the following:

Review policies and practices, as well as recommend changes as appropriate, within the bargaining unit environment, that may hinder the advancement or development of women, minorities, the disabled or people who differ culturally; and

Develop ways that enable employees at all levels to appreciate and respect individual differences.

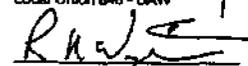
Provide recommendations to the company on methods of delivering education regarding "What is Diversity" and how to best value and utilize it.

The team, to be co-chaired by the UAW local President and a member of Human Resources. The team will consist of 10 members; two co-chairs, one member of human resources, and seven UAW appointed representatives. The seven UAW appointed representatives would serve as members of the team for a term of approximately 18 months.


D.J. Whitney, Director
HR&A Customer Support,
EEO, and Ethics

Date: 2-1-01


C.K. Stanley - President
Local Union 848 - UAW


R.K. Wagner III - Chairman
Plant Grievance Committee
Local Union 848 - UAW


M.D. Hall
International Representative - UAW



Vought Aircraft Industries, Inc.
Post Office Box 65507
Dallas, TX 75265-6907

Letter of Agreement 37
Smoking in the Workplace
(Effective 2 October 2000)

The Company and the Union are committed to maintaining a safe, healthful and comfortable place to work. Because of increased concerns about the effects of secondary or side-stream tobacco smoke on employees' health, the Parties agree to the following provisions that will reduce employees' exposure to smoke while balancing the rights of smokers and non-smokers.

Smoking will be permitted in open factory and shop areas where not specifically prohibited by this Agreement.

Smoking will be prohibited in the following areas:

The Company and the Union have agreed to an equitable number of factory restrooms designated as smoking/non-smoking. Signs will be maintained in each restroom accordingly.

All Cafeterias

Designated areas where smoking presents a hazard to personnel or property in the area (fire or safety hazard)

Open factory, shop areas, and breakrooms (areas) that have been designated no-smoking by the majority of employees in that area. The affected Committee person and Steward will be available to support the decision making process.

Enclosed or confined factory and shop areas including, but not limited to private offices, open office areas, work stations and cubicles, conference rooms, meeting rooms, classrooms, medical facilities, elevators and stairways.

Salaried areas designated no-smoking by Company directive

The success of this agreement depends upon the thoughtfulness, consideration, and cooperation of all employees. To support smokers, who may wish to stop smoking, education and cessation programs will be offered on an ongoing basis.

Letter of Agreement #37 - Smoking in the Workplace

D.J. Whitney
 D.J. Whitney, Director
 HR&A Customer Support
 EEO, and Ethics

Date: 2-1-01

C.K. Stanley
 C.K. Stanley - President
 Local Union 848 - UAW

R.K. Wagner III
 R.K. Wagner III - Chairman
 Plant Grievance Committee
 Local Union 848 - UAW

M.D. Hall
 M.D. Hall
 International Representative - UAW



Vought Aircraft Industries, Inc.
 Post Office Box 85907
 Dallas, TX 75265-6907

Letter of Agreement 38
Post-Retirement Insurance Benefits

The post-retirement health and life insurance benefits provided to employees (and eligible dependents and surviving spouses) (1) who were retired prior to the effective date of this Agreement under the terms of any prior collective bargaining agreements with the UAW International Union and Local 848, or (2) who retire after the effective date of this Agreement and before September 27, 2004 under the terms of this Agreement, will not be modified or terminated during the term of this Agreement, but will continue to be provided beyond the term of this Agreement subject to the terms of successor collective bargaining agreements. It is the intent to provide such benefits on a continuing basis, but we cannot predict the future and accordingly must preserve the right to bargain any future necessary changes.

D.J. Whitney
 D.J. Whitney, Director
 HR&A Customer Support
 EEO, and Ethics

Date: 2-1-01

C.K. Stanley
 C.K. Stanley - President
 Local Union 848 - UAW

R.K. Wagner III
 R.K. Wagner III - Chairman
 Plant Grievance Committee
 Local Union 848 - UAW

M.D. Hall
 M.D. Hall
 International Representative - UAW

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Jan	Feb	Mar
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☐ Holiday

